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### FISCAL IMPACT REPORT

SPONSOR:	Cisneros	DATE TYPED:	2/12/03	HB	
SHORT TITL	E: _Amend Small Cities	Assistance Act		SB	275
			ANALY	YST:	Neel

### **REVENUE**

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected	
FY03	FY04				
	(\$1,400.0)	(\$1,400.0)	Recurring	General Fund	
	\$1,400.0	\$1,400.0	Recurring	Qualifying Cities	

(Parenthesis () Indicate Revenue Decreases)

Relates to: HB 322, Amend Small Cities Assistance Act

### SOURCES OF INFORMATION

LFC files

**Responses Received From** 

Taxation and Revenue Department (TRD) Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 275 amends the Small Cities Assistance Act (Sections 3-37A-1 to 3-37A-3 NMSA 1978) to revise the distribution formula for municipalities qualifying for small cities assistance. The proposed formula would increase the annual distributions to currently eligible small cities. It does not expand eligibility to new cities. The proposal increases the minimum distribution amount to \$35,000 and removes the \$50,000 limit for the maximum distribution amount. The population criteria for establishing minimum and maximum distribution amounts are also removed.

# FISCAL IMPLICATIONS

## FY 2004 impacts:

The proposal would affect General Fund revenue because under the present law formula, not all of the small cities fund revenue is distributed to small cities. The remaining funds revert to the General Fund. The proposal would increase the distributions in such a way that it would eliminate the annual reversion to the General Fund. The provisions of Section 4 ensure the balance in the small cities assistance fund would accumulate for a full year prior to the FY 2004 distribution. The fund balance at that time is expected to be approximately \$4.8 million. The expected distribution in the absence of this legislation is expected to be approximately \$3.4 million.

## FY 2003 impacts:

The department expects to distribute FY 2003 small cities assistance funds in February. Since the distribution will be made before March 1, the general fund reversion would be limited to the amount remaining in the small cities assistance fund under Section 4 of the proposal. Under current law, the balance reverts immediately after distribution. Thus, there is no fiscal impact in FY 2003.

TRD completed the below listed table to show the effects of the proposed legislation.

CITY	Current Assis- tance	Proposed Assistance	Difference	
Small	Cities Assistance Distribution	 Formula: Current vs. Proposal—Fisc	al Year 2003	
	(Estimated Small Cities Assi	stance Fund Balance as of January 2	2003)	
CITY	Current Assistance	Proposed Assistance	Difference	
Angel Fire	30,000.00	35,000.00	5,000.00	
Aztec	35,000.00	70,292.23	35,292.23	
Bayard	50,000.00	70,292.23	20,292.23	
Belen	25,000.00	35,000.00	10,000.00	
Bernalillo	35,000.00	70,292.23	35,292.23	
Bloomfield	35,000.00	70,292.23	35,292.23	
Bosque Farms	50,000.00	70,292.23	20,292.23	
Capitan	50,000.00	70,292.23	20,292.23	
Carrizozo	50,000.00	70,292.23	20,292.23	
Causey	30,000.00	35,000.00	5,000.00	
Chama	37,573.31	35,000.00	(2,573.31)	
Cimarron	50,000.00	70,292.23	20,292.23	
Clayton	50,000.00	70,292.23	20,292.23	
Cloudcroft	30,000.00	35,000.00	5,000.00	
Columbus	50,000.00	70,292.23	20,292.23	
Corona	30,000.00	35,000.00	5,000.00	
Corrales	35,000.00	70,292.23	35,292.23	
Cuba	30,000.00	35,000.00	5,000.00	
Des Moines	30,000.00	35,000.00	5,000.00	
Dexter	50,000.00			
Dora	30,000.00	35,000.00	20,292.23 5,000.00	
Eagle Nest	30,000.00	35,000.00	5,000.00	
Edgewood	30,000.00	35,000.00	5,000.00	
Elephant Butte	50,000.00	70,292.23	20,292.23	
Elida	30,000.00	35,000.00	5,000.00	
Encino	30,000.00	35,000.00	5,000.00	
Espanola	25,000.00	70,292.23	45,292.23	
Estancia	50,000.00	70,292.23	20,292.23	
Eunice	50,000.00	70,292.23	20,292.23	
Floyd	30,000.00	35,000.00	5,000.00	
Folsom	30,000.00	35,000.00	5,000.00	
Fort Sumner	50,000.00	70,292.23	20,292.23	
Grady	30,000.00	35,000.00	5,000.00	
Grants	35,000.00	70,292.23	35,292.23	
Grenville	30,000.00			
Hagerman	50,000.00	70,292.23	5,000.00 20,292.23	
Hatch	50,000.00	70,292.23	20,292.23	
Hope	30,000.00	35,000.00	5,000.00	
House	30,000.00	35,000.00	5,000.00	
Hurley	50,000.00	70,292.23	20,292.23	
Jal	50,000.00			
Jai Jemez Springs	43,993.00	70,292.23 43,129.08	20,292.23 (863.92)	

Lake Arthur	50,000.00	70,292.23	20,292.23
Logan	50,000.00	70,292.23	20,292.23
Lordsburg	50,000.00	70,292.23	20,292.23
Los Ranchos	35,000.00	70,292.23	35,292.23
Loving	50,000.00	70,292.23	20,292.23
Lovington	35,000.00	70,292.23	35,292.23
Magdalena	50,000.00	70,292.23	20,292.23
Maxwell	50,000.00	60,558.86	10,558.86
Melrose	50,000.00	70,292.23	20,292.23
Mesilla	50,000.00	70,292.23	20,292.23
Milan	30,000.00	35,000.00	5,000.00
Moriarty	30,000.00	35,000.00	5,000.00
Mosquero	30,000.00	35,000.00	5,000.00
Mountainair	50,000.00	70,292.23	20,292.23
Pecos	50,000.00	70,292.23	20,292.23
Questa	50,000.00	70,292.23	20,292.23
Raton	35,000.00	70,292.23	35,292.23
Red River	30,000.00	35,000.00	5,000.00
Reserve	49,725.91	48,834.34	(891.57)
Roy	44,420.71	43,720.36	(700.35)
Ruidoso	25,000.00	35,000.00	10,000.00
Ruidoso Downs	30,000.00	35,000.00	5,000.00
San Jon	30,000.00	35,000.00	5,000.00
San Ysidro	30,000.00	35,000.00	5,000.00
Santa Clara (Central)	50,000.00	70,292.23	20,292.23
Santa Rosa	30,000.00	35,000.00	5,000.00
Socorro	35,000.00	70,292.23	35,292.23
Springer	50,000.00	70,292.23	20,292.23

II Small Cities Assi stance	: 3,300,049.97	4,566,715.00	1,266,665.03
Williamsburg	50,000.00	70,292.23	20,292.23
Willard	50,000.00	61,399.83	11,399.83
Wagon Mound	50,000.00	62,044.39	12,044.39
Virden	40,339.28	40,009.84	(329.44)
Vaughn	50,000.00	64,452.50	14,452.50
Tularosa	50,000.00	70,292.23	20,292.23
Tucumcari	35,000.00	70,292.23	35,292.23
Tijeras	30,000.00	35,000.00	5,000.00
Texico	50,000.00	70,292.23	20,292.23
Tatum	33,997.77	35,000.00	1,002.23
Taos Ski Valley	30,000.00	35,000.00	5,000.00
Taos	30,000.00	35,000.00	5,000.00
T or C	35,000.00	70,292.23	35,292.23

SN/yr