

AN ACT

RELATING TO COUNTIES; AMENDING THE SMALL COUNTIES ASSISTANCE ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 4-61-2 NMSA 1978 (being Laws 1982, Chapter 44, Section 2, as amended) is amended to read:

"4-61-2. DEFINITIONS.--As used in the Small Counties Assistance Act:

A. "adjustment factor" means a fraction, the numerator of which is the net taxable value of the state for the property tax year prior to the year in which the amount of small counties assistance is being determined and the denominator of which is the net taxable value for property tax year 2002; the adjustment factor shall be calculated without reference to assessed value determined pursuant to the Oil and Gas Ad Valorem Production Tax Act, assessed value determined pursuant to the Oil and Gas Production Equipment Ad Valorem Tax Act or taxable value determined pursuant to the Copper Production Ad Valorem Tax Act:

B. "ceiling valuation" means:

(1) for the 2002 property tax year, one billion four hundred million dollars (\$1,400,000,000); and

(2) for each subsequent property tax year, an amount equal to the product obtained by multiplying one billion four hundred million dollars (\$1,400,000,000) by the adjustment factor for the year;

C. "demographer" means the bureau of business and economic research at the university of New Mexico;

H
B
3
7
6
P
a
g
e
1

D. "population" means the official population shown by the most recent federal decennial census or, if there is a change in boundaries after the date of the census, "population" for each affected unit shall be the most current estimated population for that unit provided in writing by the demographer; provided that after five years from the first day of the calendar year of the most recent federal decennial census, that census shall not be used, and "population" for the period from that date until the date when the next following official final decennial census population data are available shall be the most current estimated population provided in writing by the demographer;

H
B
3
7
6
P
a
g
e
2

E. "qualifying county" means a class B, class C or first class county that has:

(1) for the property tax year in which any distribution under the Small Counties Assistance Act is made to the county, imposed a property tax rate for general county purposes pursuant to Paragraph (1) of Subsection B of Section 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at least eight dollars eighty-five cents (\$8.85) per one thousand dollars (\$1,000) of net taxable value;

(2) by July 1 of the property tax year in which any distribution under the Small Counties Assistance Act is made to the county, received a written certification from the director of the property tax division of the taxation and revenue department that the county assessor of that county has implemented an acceptable program of maintaining current and correct property values for property taxation purposes as required by Section 7-36-16 NMSA 1978 or has submitted to the director an acceptable plan for the implementation of such a program;

(3) on July 1 of the year in which any distribution under the Small Counties Assistance Act is made to the county, a population of not more than forty-eight thousand;

H
B
3
7
6
P
a
g
e
3

(4) imposed all county gross receipts tax increments authorized pursuant to Section 7-20E-9 NMSA 1978 and has those increments in effect on July 1 of the year in which a distribution is made, provided that the county's valuation for property taxation purposes exceeds two hundred thirty million dollars (\$230,000,000) multiplied by the adjustment factor for the year; and

(5) a total valuation for the property tax year preceding the year in which a distribution pursuant to the Small Counties Assistance Act for that county is to be made that is no greater than the ceiling valuation for that property tax year; and

F. "total valuation" means the sum for a jurisdiction for a property tax year of the net taxable value determined pursuant to the Property Tax Code, the assessed value determined pursuant to the Oil and Gas Ad Valorem Production Tax Act, the assessed value determined pursuant to the Oil and Gas Production Equipment Ad Valorem Tax Act and the taxable value determined pursuant to the Copper Production Ad Valorem Tax Act."

Section 2. Section 4-61-3 NMSA 1978 (being Laws 1982, Chapter 44, Section 3, as amended) is amended to read:

"4-61-3. SMALL COUNTIES ASSISTANCE FUND--DISTRIBUTION.--

A. The "small counties assistance fund" is created within the state treasury.

B. On or before September 1, 2003 and on or before September 1 of

each subsequent year, the demographer shall certify in writing to the department of finance and administration the population of the state and of each county as of June 30 of the year.

C. On or before September 15, 2003 and on or before September 15 of each subsequent year, the secretary of finance and administration shall certify to the state treasurer with respect to each qualifying county:

- (1) its population as certified by the demographer;
- (2) its total valuation for the preceding property tax year; and
- (3) the distribution amount calculated for it.

D. The distribution amount for each qualifying county shall be determined for 2003 and each subsequent year in accordance with the following table; provided that the bracket amounts in the first two columns of the table shall be adjusted annually after 2003 by the adjustment factor.

If the county's total valuation for the preceding property tax year is:

at least:	but less than:	and the county population is:	then the distribution amount is:
\$ 0	\$100,000,000	under 4,000	\$250,000
\$ 0	\$100,000,000	at least 4,000	\$225,000
\$ 100,000,000	\$230,000,000	under 12,000	\$150,000
\$ 100,000,000	\$230,000,000	at least 12,000	\$100,000
\$230,000,000	\$1,400,000,000	under 48,000	\$ 50,000.

H
B
3
7
6
P
a
g
e
4

E. If the balance in the small counties assistance fund as of the preceding August 31 is less than the sum of the distributions to be made to qualifying counties, the department of finance and administration shall reduce each qualifying county's calculated distribution by a percentage computed by dividing the amount by which the fund is insufficient by the sum of all the calculated distributions and shall certify the reduced amounts as the qualifying counties' distributions.

F. Any interest accruing from the temporary investment of the small counties assistance fund shall be credited to the general fund.

G. On or before September 30, 2003 and on or before September 30 of each subsequent year, the state treasurer shall distribute to each county for whom a distribution has been certified for that year the amount certified for that county for that year. If the balance in the fund as of the preceding August 31 exceeds the amount to be distributed, the difference shall revert to the general fund.

H. If any date specified in Subsection B, C or G of this section falls on a Saturday or Sunday, any action required to be performed as provided in those subsections is timely if performed on the next day that is not a Saturday or Sunday."

HB 376