

AN ACT

RELATING TO COUNTIES; AMENDING THE SMALL COUNTIES ASSISTANCE ACT; ADJUSTING A DEFINITION USED IN CALCULATING THE AMOUNTS DISTRIBUTED TO QUALIFYING COUNTIES.

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;

D. "inflation factor" means a fraction whose numerator is the annual implicit price deflator index for state and local government purchases of goods and services, as published in the United States department of commerce monthly publication entitled "Survey of Current Business" or any successor publication prepared by an agency of the United States and adopted by the department of finance and administration, for the calendar year one year prior to the year in which the distribution is to be made and whose denominator is the annual index for calendar year 2004; provided that, if the inflation factor is calculated to have a value less than one, it shall be deemed to have a value of one;

E. "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;

F. "qualifying county" means a 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;

(4) imposed county gross receipts tax increments authorized pursuant to Section 7-20E-9 NMSA 1978 totaling at least three-eighths percent and has those increments in effect on July 1 of the year in which a distribution is made, provided that this paragraph does not apply to a county if the county's valuation for property taxation purposes does not exceed the product of 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

G. "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. EFFECTIVE DATE.--The effective date of the

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provisions of this act is July 1, 2008. _____

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