

LFC Requester:

Laird Graeser

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/9/26 *Check all that apply:*  
**Bill Number:** HB 160 Original  Correction   
 Amendment  Substitute

**Sponsor:** Cortez, Martinez, Armstrong, Henry **Agency Name and Code** 995 NMC  
**Short Title:** CREATE ALL CITIES & COUNTIES FUND **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

#### Synopsis:

### **FISCAL IMPLICATIONS**

HB160 creates a new All Cities and Counties Fund funded by diverting 8% of the state general fund share of GRT on an ongoing basis. County distributions are based on a hybrid formula:

- 70% population-based
- 30% based on equalized gross receipts tax revenue (EGRTR)

Counties with larger unincorporated populations or higher taxable activity may experience different outcomes than under existing GRT distributions. Population data sources are not fixed, which could lead to year-to-year variability or discrepancies.

HB160 raises several questions about how the proposed formula would interact with existing distributions such as county equalization, small counties assistance, and food/health care deduction offsets. Further, given the significant fiscal impact to the state, would this bill reduce state fiscal flexibility for other programs or appropriations that counties depend on outside of this distribution (capital outlay, grants, specialty programs).

It is unclear which agency will administer the fund raises questions about account treatment, oversight, and reporting responsibilities. Are there implications for county-tribal service relationships or cost-sharing expectations? The bill does not define performance goals, intended outcomes, or benchmarks for the use of funds.

County governments are highly reliant on both gross receipts taxes (GRT) and property taxes as their primary revenue sources. Depending on the specific county, this percentage can fluctuate dramatically statewide:

### **ESTIMATED PERCENTAGE OF RELIANCE ON GRT & PROPERTY TAXES**

<b>COUNTY</b>	<b>% GRT</b>	<b>% Property</b>
<b>Bernalillo County</b>	66%	34%
<b>Catron County</b>	40%	60%
<b>Chaves County</b>	65%	35%
<b>Cibola County</b>	65%	35%
<b>Colfax County</b>	30%	70%
<b>Curry County</b>	56%	44%
<b>De Baca County</b>	30%	70%
<b>Dona Ana County</b>	58%	42%
<b>Eddy County</b>	77%	23%
<b>Grant County</b>	64%	36%
<b>Guadalupe County</b>	41%	59%
<b>Harding County</b>	36%	64%
<b>Hidalgo County</b>	40%	60%
<b>Lea County</b>	60%	40%

<b>Lincoln County</b>	32%	68%
<b>Los Alamos County</b>	93%	7%
<b>Luna County</b>	58%	42%
<b>McKinley County</b>	75%	25%
<b>Mora County</b>	64%	36%
<b>Otero County</b>	60%	40%
<b>Quay County</b>	63%	37%
<b>Rio Arriba County</b>	61%	39%
<b>Roosevelt County</b>	48%	52%
<b>San Juan County</b>	69%	31%
<b>San Miguel County</b>	60%	40%
<b>Sandoval County</b>	45%	55%
<b>Santa Fe County</b>	62%	38%
<b>Sierra County</b>	56%	44%
<b>Socorro County</b>	54%	46%
<b>Taos County</b>	64%	36%
<b>Torrance County</b>	61%	39%
<b>Union County</b>	38%	62%
<b>Valencia County</b>	62%	38%

County GRT revenues are extremely volatile, with many counties only now returning to pre-pandemic levels. In any given year, a natural disaster, significant industry change, contract with a major employer, or legislative exemption can significantly impact a county's budget:

#### **COUNTY GRT FY 24 – FY 25 AND PERCENTAGE FLUNCTUATION**

<b>COUNTY</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>% OF CHANGE</b>
<b>Bernalillo County</b>	\$311,433,967.89	\$324,928,052.96	4%
<b>Catron County</b>	\$1,266,479.35	\$1,081,504.80	-15%
<b>Chaves County</b>	\$20,184,589.74	\$20,638,015.79	2%
<b>Cibola County</b>	\$6,958,199.63	\$7,964,858.55	14%
<b>Colfax County</b>	\$2,836,997.25	\$3,191,339.77	12%
<b>Curry County</b>	\$14,074,996.65	\$13,842,703.23	-2%
<b>De Baca County</b>	\$725,747.11	\$437,005.49	-40%
<b>Dona Ana County</b>	\$75,093,080.61	\$80,428,544.55	7%
<b>Eddy County</b>	\$102,023,642.42	\$110,665,583.90	8%
<b>Grant County</b>	\$10,422,932.16	\$10,985,811.65	5%
<b>Guadalupe</b>	\$2,309,096.37	\$1,580,581.14	-32%
<b>Harding County</b>	\$367,836.44	\$356,730.48	-3%
<b>Hidalgo County</b>	\$1,150,527.14	\$1,530,857.96	33%
<b>Lea County</b>	\$48,275,303.84	\$49,656,015.01	3%
<b>Lincoln County</b>	\$3,245,920.72	\$4,586,109.67	41%
<b>Los Alamos County</b>	\$102,020,036.10	\$80,447,933.21	-21%
<b>Luna County</b>	\$9,189,779.29	\$10,662,691.30	16%
<b>McKinley County</b>	\$21,646,794.94	\$21,940,043.60	1%
<b>Mora County</b>	\$2,453,741.22	\$2,900,483.47	18%
<b>Otero County</b>	\$15,815,256.71	\$18,920,825.26	20%
<b>Quay County</b>	\$3,700,470.44	\$4,338,288.35	17%

<b>Rio Arriba County</b>	\$12,025,333.11	\$12,775,339.54	6%
<b>Roosevelt County</b>	\$6,232,597.65	\$6,852,940.17	10%
<b>San Juan County</b>	\$52,967,585.19	\$59,108,909.18	12%
<b>San Miguel County</b>	\$7,363,373.68	\$8,377,347.91	14%
<b>Sandoval County</b>	\$32,121,774.61	\$28,931,720.14	-10%
<b>Santa Fe County</b>	\$101,773,041.62	\$106,016,330.13	4%
<b>Sierra County</b>	\$5,293,608.06	\$5,352,848.16	1%
<b>Socorro County</b>	\$4,186,809.44	\$4,632,001.90	11%
<b>Taos County</b>	\$20,333,385.37	\$26,233,177.31	29%
<b>Torrance County</b>	\$6,602,975.40	\$9,936,446.08	50%
<b>Union County</b>	\$1,429,472.96	\$1,270,960.60	-11%
<b>Valencia County</b>	\$28,637,431.31	\$29,420,899.28	3%

Source: TRD Monthly Local Govt. Distribution Reports (RP-500)

**SIGNIFICANT ISSUES**

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**