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SENATE BILL 253

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Patrick H. Lyons

AN ACT

RELATING TO MUNICIPALITIES; AMENDING DISTRIBUTIONS FROM THE
SMALL CITIES ASSISTANCE FUND; INCREASING MINIMUM AND MAXIMUM
DISTRIBUTIONS.

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

Section 1. Section 3-37A-2 NMSA 1978 (being Laws 1979,
Chapter 284, Section 2, as amended by Laws 1983, Chapter 205,
Section 1 and also by Laws 1983, Chapter 214, Section 1) is
amended to read:

"3-37A-2. DEFINITIONS. --As used in the Small Cities
Assistance Act:

A. "municipality" means any incorporated city,
town or village, whether incorporated under general act,
special act or special charter, and incorporated counties and
H-class counties;

underscored material = new
[bracketed material] = delete

1 B. "municipal share" means one and thirty-five
2 one-hundredths percent of the taxable gross receipts as
3 defined in the Gross Receipts and Compensating Tax Act
4 reported annually for each municipality to the [~~revenue-~~
5 ~~division of the~~] taxation and revenue department during a
6 twelve-month period ending June 30;

7 C. "total municipal share" means the sum of all
8 municipal shares;

9 D. "statewide per capita average" means the
10 quotient of the total municipal share divided by the total
11 statewide municipal population;

12 E. "municipal per capita average" means the
13 quotient of the municipal share divided by the municipality's
14 population;

15 F. "population" means the most recent official
16 census or estimate determined by the bureau of the census or,
17 if neither is available, "population" means an estimate as
18 determined by the local government division of the department
19 of finance and administration;

20 G. "local tax effort" means the amount produced by
21 a one-fourth of one percent municipal gross receipts tax in
22 the previous fiscal year;

23 H. "qualifying municipality" means a municipality
24 [(1)] with a population [~~which is~~] of less
25 than ten thousand [(2) ~~with a municipal per capita average~~

underscored material = new
[bracketed material] = delete

1 ~~less than the statewide per capita average; and (3) which]~~
2 that has enacted on or before the last day of the preceding
3 fiscal year an ordinance or ordinances imposing a municipal
4 gross receipts tax pursuant to [~~the Municipal Gross Receipts~~
5 ~~Tax Act~~] Section 7-19D-9 NMSA 1978 at a rate of one-fourth of
6 one percent or more; and

7 I. "enacted" means adopted by a majority of the
8 members of the governing body of the municipality pursuant to
9 Section [~~7-19-4~~] 7-19D-9 NMSA 1978 and:

10 (1) for which no election has been called in
11 the manner and within the time provided by Section [~~7-19-4~~]
12 7-19D-9 NMSA 1978; or

13 (2) which has been approved by a majority of
14 the registered voters voting on the question pursuant to
15 Section [~~7-19-4~~] 7-19D-9 NMSA 1978. "

16 Section 2. Section 3-37A-3 NMSA 1978 (being Laws 1979,
17 Chapter 284, Section 3, as amended) is amended to read:

18 "3-37A-3. SMALL CITIES ASSISTANCE FUND-- DISTRIBUTION. --

19 A. The "small cities assistance fund" is created
20 within the state treasury.

21 B. On January 31 of each year, the local
22 government division of the department of finance and
23 administration shall certify to the taxation and revenue
24 department the population of each municipality in the state.

25 C. On or before June 10 of each year, the taxation

underscored material = new
[bracketed material] = delete

1 and revenue department shall compute the distribution share of
2 each qualifying municipality. The distribution share shall be
3 an amount equal to the product of the qualifying
4 municipality's population multiplied by the difference between
5 the statewide per capita average and the municipal per capita
6 average less the local tax effort of the qualifying
7 municipality; provided that the distribution share shall not
8 exceed [~~thirty thousand dollars (\$30,000)~~] fifty thousand
9 dollars (\$50,000) if the qualifying municipality has a
10 population of five thousand or less and thirty-five thousand
11 dollars (\$35,000) if the qualifying municipality has a
12 population of more than five thousand but less than ten
13 thousand; and provided that for any municipality with a
14 population of less than ten thousand which does not qualify
15 for a distribution or [any qualifying municipality] which
16 qualifies for a distribution of less than [fifteen thousand
17 dollars (\$15,000) shall receive a distribution of fifteen
18 thousand dollars (\$15,000)] the minimum amount, the
19 distribution share shall be the minimum amount; and provided
20 further that if the balance in the small cities assistance
21 fund on the preceding May 30 is less than the sum of the
22 distribution shares [~~then~~] calculated pursuant to Subsection C
23 of this section, the taxation and revenue department shall
24 [~~first~~] reduce the distribution share of each municipality
25 whose distribution share is in excess of [~~fifteen thousand~~

underscored material = new
[bracketed material] = delete

1 ~~dollars (\$15,000)]~~ the minimum amount in an amount calculated
2 according to the following formula:

3 municipal distribution share in excess
4 of [\$15,000] the minimum amount X deficiency in fund
5 sum of municipal distribution shares in
6 excess of [~~\$15,000~~] the minimum amount

7 so long as no municipality's distribution share is reduced
8 below [~~fifteen thousand dollars (\$15,000)]~~ the minimum amount,
9 and until each municipality's distribution share is reduced to
10 [~~fifteen thousand dollars (\$15,000)]~~ the minimum amount, if
11 necessary; and provided further that if the sum of the
12 distribution shares when each share is reduced to [~~fifteen~~
13 ~~thousand dollars (\$15,000)]~~ the minimum amount is still in
14 excess of the balance in the small cities assistance fund on
15 the preceding May 30, [~~then~~] the taxation and revenue
16 department shall reduce each municipality's [~~fifteen thousand~~
17 ~~dollar (\$15,000)]~~ minimum amount distribution share by a
18 percentage equal to a percentage computed by dividing the
19 amount by which the fund is insufficient by the sum of all the
20 distribution shares. The taxation and revenue department
21 shall certify the amount of the distribution shares to the
22 state treasurer.

23 D. The state treasurer shall distribute from the
24 small cities assistance fund on or before June 15 of each year
25 to each qualifying municipality the amount certified by the

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1 taxation and revenue department for each qualifying
2 municipality for the period ending May 30 of the preceding
3 year.

4 E. Immediately after distribution to
5 municipalities from the small cities assistance fund but no
6 later than June 30 of each year, the unexpended or
7 unencumbered balance in the small cities assistance fund
8 remaining after the distribution to the qualifying
9 municipalities shall revert to the general fund.

10 F. Funds distributed under this section shall be
11 placed in the general fund of the qualifying municipalities
12 receiving distributions.

13 G. As used in this section, "minimum amount"
14 means:

15 (1) for a municipality with a population of
16 five thousand or less, thirty thousand dollars (\$30,000); and

17 (2) for a municipality with a population of
18 more than five thousand but less than ten thousand, twenty
19 thousand dollars (\$20,000). "

20 Section 3. EFFECTIVE DATE. --The effective date of the
21 provisions of this act is July 1, 1999.

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SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR

SENATE BILLS 102 & 253

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

AN ACT

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. 127861. 1

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2 one-hundredths percent of the taxable gross receipts as
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6 twelve-month period ending June 30;

7 C. "total municipal share" means the sum of all
8 municipal shares;

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11 statewide municipal population;

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13 quotient of the municipal share divided by the municipality's
14 population;

15 F. "population" means the most recent official
16 census or estimate determined by the bureau of the census or,
17 if neither is available, "population" means an estimate as
18 determined by the local government division of the department
19 of finance and administration;

20 G. "local tax effort" means the amount produced by
21 a one-fourth of one percent municipal gross receipts tax in
22 the previous fiscal year;

23 H. "qualifying municipality" means a municipality
24 [(1)] with a population [~~which is~~] of less than ten thousand
25 [(2) ~~with a municipal per capita average less than the~~

1 ~~statewide per capita average; and (3) which~~ that has enacted
2 on or before the last day of the preceding fiscal year an
3 ordinance or ordinances imposing a municipal gross receipts
4 tax pursuant to ~~[the Municipal Gross Receipts Tax Act]~~ Section
5 7-19D-9 NMSA 1978 at a rate of one-fourth of one percent or
6 more; and

7 I. "enacted" means adopted by a majority of the
8 members of the governing body of the municipality pursuant to
9 Section ~~[7-19-4]~~ 7-19D-9 NMSA 1978 and:

10 (1) for which no election has been called in
11 the manner and within the time provided by Section ~~[7-19-4]~~
12 7-19D-9 NMSA 1978; or

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14 the registered voters voting on the question pursuant to
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 8 below [~~fifteen thousand dollars (\$15,000)]~~ the minimum amount,
 9 and until each municipality's distribution share is reduced to
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16 five thousand or less, thirty-five thousand dollars (\$35,000);

17 and

18 (2) for a municipality with a population of
19 more than five thousand but less than ten thousand, twenty-
20 five thousand dollars (\$25,000). "

21 Section 3. EFFECTIVE DATE. --The effective date of the
22 provisions of this act is July 1, 1999.

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FORTY- FOURTH LEGISLATURE

FIRST SESSION

March 9, 1999

SENATE FLOOR AMENDMENT number _____ to SENATE WAYS AND MEANS
COMMITTEE SUBSTITUTE
FOR SENATE BILLS 102 &
253, as amended

Amendment sponsored by Senator Ben D. Altamirano

1. Strike Senate Finance Committee Amendment No. 2.

2. On page 6, line 16, strike "thirty-five thousand
dollars (\$35,000) and insert in lieu thereof "thirty thousand
dollars (\$30,000)".

FORTY-FOURTH LEGISLATURE
FIRST SESSION

SWMC/SB 102 & 253

SF1/SW&M/SB 102 & 253, aa

Page 14

Ben D. Altamirano

Adopted _____ Not Adopted

(Chief Clerk)

(Chief Clerk)

Date _____

underscored material = new
[bracketed material] = delete

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 March 15, 1999
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8 Mr. Speaker:
9

10 Your TAXATION AND REVENUE COMMITTEE, to whom has
11 been referred

12
13 SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR
14 SENATE BILLS 102 & 253, as amended

15 has had it under consideration and reports same with
16 recommendation that it DO PASS.
17

18 Respectfully submitted,
19

20
21
22 _____
23 Jerry W. Sandel, Chairman
24
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underscored material = new
[bracketed material] = delete

FORTY-FOURTH LEGISLATURE
SWMC/SB 102 & 253 FIRST SESSION, 1999

HTRC/CS/SB 102a

Page 22

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Lujan, Russell, Sandoval

Absent: None

J: \99Bill\SWP\S0253

underscored material = new
[bracketed material] = delete