



MEMORANDUM

To: Indian Affairs Committee

Through: Peter Kovant, Legislative Council Service

From: Sanjay Bhakta, CPA
Acting Director, Local Government Division
NM Department of Finance and Administration

Date: November 20, 2014

RE: **Leasehold Community Assistance**

Statutory Requirements and Qualifications

In 1985, the New Mexico Legislature enacted 6-6A-1 to 6-6A-5 NMSA 1978, the "Leasehold Community Assistance Act" (the Act). The Act identifies a "leasehold community" as a community that is:

- located on an Indian pueblo,
- *leasing* land from that pueblo,
- chartered by the pueblo,
- required to have a mayor-council form of government, and
- contains lands leased from the pueblo, which, together with improvements, has a net property tax valuation of at least five million dollars.

Pursuant to the Act, the Local Government Division (LGD) is required to determine funds that a "leasehold community" is eligible for by comparing revenue received by a similar size municipality.

Based on the criteria outlined above, the Town of Cochiti Lake meets the requirements to receive funding pursuant to the Act.

Town of Cochiti Lake

The Town of Cochiti Lake was formed on property leased from the Pueblo of Cochiti in 1969. The Pueblo of Cochiti is federally recognized as a Native American tribe. The lessee is Cochiti Community Development Corporation. The terms of the lease agreement is for ninety-nine

years, which will require renewal in 2068. The Town is governed by a Town Assembly which consists of five persons elected to four-year terms. The Assembly elects a Mayor, Mayor Pro-Tem and hires a Town Administrator and Town Treasurer.

The general revenues received by the Town includes property taxes, franchise fees and state general fund for the Leasehold Community Assistance. The Town elected to adopt an ad valorem property tax in December 2004. The assessed valuations are supplied by Sandoval County Treasurer. The Town receives revenues for fire and emergency services from the State Fire Fund, State EMS Fund and a contract with Sandoval County for response services.

LGD Methodology for determining General Fund Request

The LGD identifies the population size of the Town of Cochiti Lake based on the last US Census. Municipalities with the similar population size and revenue sources are compared to the Town of Cochiti Lake. Revenue received by each municipality for gross receipt tax, gasoline tax, motor vehicle fees and small cities fees are averaged to determine an amount that Town of Cochiti Lake would receive if it was not defined as a "leasehold community".