

<b>LFC Requester:</b>	Faubion
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**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**AgencyAnalysis.nmlegis.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}*

*Check all that apply:*

**Original**        **Amendment**      
**Correction**        **Substitute**   

**Date** January 18, 2024  
**Bill No:** HB 54

<b>Sponsor:</b> <u>Scott</u>	<b>Agency Name and Code</b> <u>ML</u>
<b>Short Title:</b> <u>Create All Cities &amp; Counties Fund</u>	<b>Number:</b> _____
	<b>Person Writing</b> <u>Alison Nichols</u>
	<b>Phone:</b> <u>505-470-3931</u> <b>Email</b> <u>anichols@nmml.org</u>

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<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**

The provisions of HB54 would be positive for municipalities, which would receive a share of the proposed “All Cities and Counties Fund.” The proposed fund would receive 8 percent of GRT revenues.

Municipalities located in the oil and gas producing counties would receive a larger share of revenue; however, all municipalities and counties would benefit.

**SIGNIFICANT ISSUES**

HB54 creates a new revenue sharing plan that provides all local governments with a share of state gross receipts taxes. The plan would ensure that all local governments would directly benefit from the enhanced GRT revenue the state is receiving from the oil and gas boom. However, as future oil and gas revenues are likely to be volatile, this could lead to more volatility in local government revenues and budgets.

Revenue sharing formulas are often crafted to meet several public policy goals. The proposed formula in HB54 is an example of how the state and local governments could develop mechanisms to equitably meet mutual needs for funding public services.