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HOUSE BILL 72

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

INTRODUCED BY

Jeannette Wallace

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO SMALL CITIES ASSISTANCE; INCREASING THE AMOUNT OF THE MAXIMUM ANNUAL MUNICIPAL DISTRIBUTION TO A QUALIFYING MUNICIPALITY FROM THE SMALL CITIES ASSISTANCE FUND.

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

Section 1. Section 3-37A-3 NMSA 1978 (being Laws 1979, Chapter 284, Section 3, as amended) is amended to read:

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

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

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

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

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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)~~] sixty thousand
9 dollars (\$60,000); and provided that any municipality with a
10 population of less than ten thousand [~~which~~] that does not
11 qualify for a distribution or any qualifying municipality
12 [~~which~~] that qualifies for a distribution of less than fifteen
13 thousand dollars (\$15,000) shall receive a distribution of
14 fifteen thousand dollars (\$15,000); and provided further that
15 if the balance in the small cities assistance fund on the
16 preceding May 30 is less than the sum of the distribution
17 shares, [~~then~~] the taxation and revenue department shall first
18 reduce the distribution share of each municipality whose
19 distribution share is in excess of fifteen thousand dollars
20 (\$15,000) in an amount calculated according to the following
21 formula:

$$\frac{\text{municipal distribution share} \\ \text{in excess of } \$15,000}{\text{sum of municipal distribution} \\ \text{shares in excess of } \$15,000} \times \text{deficiency in fund}$$

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

15 D. The state treasurer shall distribute from the
16 small cities assistance fund on or before June 15 of each year
17 to each qualifying municipality the amount certified by the
18 taxation and revenue department for each qualifying
19 municipality for the period ending May 30 of the preceding
20 year.

21 E. Immediately after distribution to
22 municipalities from the small cities assistance fund but no
23 later than June 30 of each year, the unexpended or
24 unencumbered balance in the small cities assistance fund
25 remaining after the distribution to the qualifying

1 municipalities shall revert to the general fund.

2 F. Funds distributed under this section shall be
3 placed in the general fund of the qualifying municipalities
4 receiving distributions. "

5 Section 2. EFFECTIVE DATE. --The effective date of the
6 provisions of this act is July 1, 1999.

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