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FISCAL IMPACT REPORT

ORIGINAL DATE 2/23/09

SPONSOR Garcia, T. LAST UPDATED _____ HB 719

SHORT TITLE School District GO Bond State Requirements SB _____

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$0.0		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Department of Public Education (PED)

SUMMARY

Synopsis of Bill

House Bill 719 amends Sections 6-15-1 and 6-15-2 NMSA 1978 by making technical adjustments to language in order to clarify the duties of the Public Education Department (PED) concerning proposed school district general obligation bonds.

FISCAL IMPLICATIONS

This bill carries no appropriation and has no associated fiscal impact.

SIGNIFICANT ISSUES

According to OEA, HB 719 is merely a clean up of language to clarify that:

- Under Section 6-15-1, school districts shall furnish PED with a notice of proposal to issue any bonds payable in whole or in part from ad valorem taxes (General Obligation Bonds) prior to initiating any proceedings for such issue.
- Under Section 6-15-2, upon receipt of the notice per 6-15-1, PED shall furnish the governing authorities with information on valuation, outstanding bonded indebtedness, tax rate limitations, debt contracting power, and other information that would be useful to the governing authorities and voters of the school district in consideration of the proposed bond issue.

The existing language refers to the "public school finance division of the department of finance and administration", which no longer exists. Under Section 22-8-3, the office of education in the department of finance and administration was abolished, and all powers and duties provided by law for this office were transferred to the state department of education (now known as the Public Education Department) effective May 18, 1988 (Laws of 1988, Ch. 64, Sec. 14).

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Sections 6-15-1 and 6-15-2 will continue to incorrectly refer to the "public school finance division of the department of finance and administration". This could cause confusion to new staff at school districts that may not be aware that it is PED that has the duties concerning proposed general obligation bonds.

PV/mc