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FISCAL IMPACT REPORT

SPONSOR Culbert **ORIGINAL DATE** 2/20/15
LAST UPDATED 3/3/15 **HB** 487

SHORT TITLE City Court Fee Transfer to City General Fund **SB** _____

ANALYST Sánchez/Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate		Recurring	Municipal General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Bill

House Bill 487 amends Section 35-14-11 (E) NMSA 1978 to raise the population level from 3,000 to 10,000 allowing municipalities to transfer unneeded balances in revenues collected from municipal court citations to the general fund. These revenues would first be use to costs enumerated in Section 35-14-11 (C) and anything left after meeting these needs could be transferred to the general fund.

FISCAL IMPLICATIONS

Because there is no way to estimate unneeded balances in advance, the amount of funds that may be transferred to municipal general funds is indeterminate.

SIGNIFICANT ISSUES

According to the AOC, “This bill would provide an added degree of fiscal flexibility to more municipalities. The thought behind the population threshold appears to be that smaller municipalities will not have substantial detention-related costs, and so will not have to have a large fund balance to meet unexpected needs. If a municipality is able to manage its revenues such that all municipality-related detention costs are paid for and a fund balance accumulates, the

policy of the bill is that the municipality ought to have the ability to use those funds elsewhere.”

ABS/GAC/bb/je