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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/22

SPONSOR Rodriguez/Griggs LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE County Courthouse Fund & Projects SB 116

ANALYST Dick-Peddie

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
\$0	\$20,000.0	Recurring*	General Fund

\*see fiscal implications

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

New Mexico Attorney General (NMAG)

### SUMMARY

#### Synopsis of Bill

Senate Bill 116 creates the county courthouse buildings fund within the state treasury to be administered by the Administrative Office of the Courts (AOC).

Senate Bill 116 appropriates \$20 million from the general fund to the newly created fund that shall not revert, for the purpose of administering grants to “counties to remodel, renovate, or construct courthouses. The bill requires a 100 percent match from receiving counties, and directs funding to only be allocated to projects AOC determines cost-effective.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

The appropriation of \$20 million contained in SB116 is a nonrecurring expense from the general fund. The legislation allows for continuing appropriations to the fund from state, federal, or other revenues. The proposed new fund does not draw from other revenue sources or earn investment

income, making available funding for projects entirely reliant on appropriations from the Legislature. Because it is difficult to predict future legislative appropriations to the fund, this analysis scores the appropriation as a recurring expense to the general fund.

LFC's non-recurring framework includes \$20 million for a county courthouse fund contingent upon passage of SB116 or similar legislation.

AOC does not anticipate additional operating budget costs for promulgating rules for fund allocations.

### **SIGNIFICANT ISSUES**

Counties are statutorily required to maintain adequate quarters for district courthouses (Section 34-6-24 NMSA 1978) but, as AOC noted in its agency analysis, "lack of county funding to address court facility needs can cause tension between the counties and the courts." Additionally, state funding can be difficult to secure for county owned facilities, especially in rural areas.

Counties are also statutorily required to maintain quarters for district attorney offices. Providing funding for county courthouses but not for similarly established district attorney offices may lead to inequities in justice system facilities.

SB116 does not specify parameters for grant awards. This may inadvertently result in higher awards to larger counties that have more readily available resources to meet the match requirement.

AOC notes that more dedicated funds for courthouses would reduce judicial capital requests and incentivize counties to work more closely with AOC.

ADP/acv