

CHAPTER 5

AN ACT

RELATING TO PUBLIC SCHOOLS; PROVIDING FOR IMPOSITION OF A SCHOOL DISTRICT PROPERTY TAX TO PRODUCE REVENUE FOR PUBLIC SCHOOL CAPITAL IMPROVEMENT PURPOSES; REQUIRING APPROVAL BY ELECTION OF DISTRICT ELECTORS AS PREREQUISITE OF TAX; CREATING THE PUBLIC SCHOOL CAPITAL IMPROVEMENTS FUND; PROVIDING FOR DISTRIBUTIONS FROM THE FUND BY STATE TO CERTAIN DISTRICTS THAT IMPOSE TAX; REPEALING THE PUBLIC SCHOOL CAPITAL OUTLAY ACT; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

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

Section 1. SHORT TITLE.--This act may be cited as the "Public School Capital Improvements Act".

Section 2. DEFINITIONS.--As used in the Public School Capital Improvements Act:

A. "ADM" means basic program ADM, ADM in special education Classes C and D and early childhood ADM, all as those terms are defined in Section 77-6-2(2) NMSA 1953;

B. "capital improvements" means expenditures, exclusive of any debt service expenses, for:

(1) erecting, remodeling, making additions to, providing equipment for or furnishing public school buildings;

(2) purchasing or improving public school grounds; and

(3) maintenance of public school buildings or public school grounds, exclusive of salary expenses of school district

employees.

Section 3. AUTHORIZATION FOR LOCAL SCHOOL BOARD TO SUBMIT QUESTION OF CAPITAL IMPROVEMENTS TAX IMPOSITION.--Any local school board may adopt a resolution to submit to the qualified electors of the school district the question of whether or not a property tax should be imposed upon the net taxable value of property allocated to the school district under the Property Tax Code for the purpose of capital improvements in the school district. The resolution shall:

A. identify the capital improvements for which the revenue proposed to be produced will be used;

B. specify the rate of the proposed tax, which shall not exceed two dollars (\$2.00) on each one thousand dollars (\$1,000) of net taxable value of property allocated to the school district under the Property Tax Code;

C. specify the date an election will be held to submit the question of imposition of the tax to the qualified electors of the district; and

D. limit the imposition of the proposed tax to no more than three property tax years.

Section 4. AUTHORIZING RESOLUTION--TIME LIMITATION.--The resolution authorized under Section 3 of the Public School Capital Improvements Act shall be adopted no later than May 15 in the year in which the tax is proposed to be imposed.

Section 5. CONDUCT OF ELECTION--NOTICE--BALLOT.--

A. An election on the question of imposing a tax under the

Public School Capital Improvements Act may be held in conjunction with a regular school district election or may be conducted as or held in conjunction with a special school district election, but the election shall be held prior to July 1 of the property tax year in which the tax is proposed to be imposed. Conduct of the election shall be as prescribed in the Public School Code for regular and special school district elections.

B. The resolution required to be published as notice of the election under Sections 77-5-2 or 77-5-3 NMSA 1953 shall include as the question to be submitted to the voters whether or not a property tax at the rate specified in the authorizing resolution should be imposed for the specified number of property tax years not exceeding three years upon the net taxable value of all property allocated to the school district for the capital improvements specified in the authorizing resolution.

C. The ballot shall include the information specified in Subsection B of this section and shall present the voter the choice of voting "for the public school capital improvements tax" or "against the public school capital improvements tax".

Section 6. ELECTION RESULTS--CERTIFICATION.--The certification of the results of an election held on the question of imposition of a public school capital improvements tax shall be made in accordance with Section 77-5-16 NMSA 1953 and a copy of the certificate of results shall be mailed immediately to the chief of the public school finance division of the department of finance and administration.

Section 7. IMPOSITION OF TAX--LIMITATION ON EXPENDITURES.--If, as a result of an election held in accordance with the Public School Capital Improvements Act, a majority of the qualified electors voting on the question vote in favor of the imposition of the tax, the tax rate shall be certified by the department of finance and administration and imposed in accordance with the provisions of the Property Tax Code. The revenue produced by the tax and any state distribution resulting to the district under the Public School Capital Improvements Act shall be expended only for the capital improvements specified in the authorizing resolution.

Section 8. TAX TO BE IMPOSED FOR A MAXIMUM OF THREE YEARS.--A tax imposed in a school district as a result of an election under the Public School Capital Improvements Act shall be imposed for one, two or three years commencing with the property tax year in which the election was held. The state distribution as provided by the Public School Capital Improvements Act shall be calculated and distributed for only the first year of the tax levy and shall be distributed to a school district no more than once in any three-year period. The local school board may discontinue, by resolution, the Public School Capital Improvements Act tax levy at the end of the first or second year of the levy.

Section 9. STATE DISTRIBUTION TO DISTRICT IMPOSING TAX UNDER CERTAIN CIRCUMSTANCES.--The chief of the public school finance division of the department of finance and administration shall distribute to any school district that has imposed a tax under the Public School

Capital Improvements Act an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax, as specified in Section 3, Subsection B of this act, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the district's first forty-days' ADM times thirty-five dollars (\$35.00) and further multiplying the product obtained by the tax rate imposed in the district under the Public School Capital Improvements Act. The distribution shall be made only for the initial year that the tax is imposed and shall be made by December 1 of that year.

Section 10. PUBLIC SCHOOL CAPITAL IMPROVEMENTS FUND CREATED.-- There is created a "public school capital improvements fund". Balances in the fund remaining at the end of a fiscal year shall not revert. All balances in the public school capital outlay fund created under Section 77-24-4 NMSA 1953 are transferred to the fund created under this section.

Section 11. APPROPRIATION.--There is appropriated from the general fund to the public school capital improvements fund the sum of thirteen million two hundred thousand dollars (\$13,200,000) to be expended for the purposes specified and in the manner authorized under the Public School Capital Improvements Act.

Section 12. REPEAL.--Sections 77-24-1 through 77-24-8 NMSA 1953 (being Laws 1973, Chapter 290, Sections 1 through 6 and Laws 1974, Chapter 87, Sections 3 and 4, as amended) are repealed.

Section 13. EMERGENCY.--It is necessary for the public peace,

health and safety that this act take effect immediately. _____