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FISCAL IMPACT REPORT

SPONSOR:	Lutz	DATE TYPED:	02/09/00	HB	223
SHORT TITLE:	Contraction of School Districts			SB	
				ANALYST:	Pacheco-Perez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	NA				

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB148, HB290

SOURCES OF INFORMATION

Commission on Higher Education (CHE)

Attorney General (AG)

State Department of Education (SDE)

SUMMARY

Synopsis of Bill

This bill modifies the Technical-Vocational Institute Act to allow for the contraction of a technical-vocational taxing district; allowed only when a new school district is formed and only part of the new district is part of the technical-vocational taxing district. A petition and a vote by residents of the portion of the excluded public school district is required. This bill does not remove the obligation of those in a school district to be excluded from paying outstanding debt previously approved by the voters. Institutions governed by the Act are Albuquerque TVI (ATVI), Mesa Technical College and Luna Vocational Technical Institute.

Significant Issues

According to the CHE, this bill would allow the portion of residents in the Rio Rancho public school district south of Northern Blvd. to petition and vote to remove themselves from the ATVI taxing district. The original ATVI taxing district was comprised of the Albuquerque public school district which was split to accommodate the Rio Rancho public school district. Residents in the Rio Rancho public school district south of Northern Blvd. currently pay a three mill levy for ATVI as well as any approved debt service levy.

FISCAL IMPLICATIONS

The impact of this bill is indeterminate. In ATVI's case, there would be a reduction in mill levy revenue should Rio Rancho no longer be a part of the taxing district. The new school district opting to remove

themselves from an existing taxing district will bear the expense of the election.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

This bill relates to House Bill 290 and Senate Bill 148.

TECHNICAL ISSUES

The SDE suggests indicating "school district" and "technical-vocational institute district" where applicable throughout this bill.

OTHER SUBSTANTIVE ISSUES

According to the SDE, Sections 26-16-14 and 21-16-15 NMSA 1978 both require the CHE and the State Board of Education to confer on issues of addition or removal of districts to or from a technical-vocational institute district. The same requirement should apply in the proposed legislation.

According to the AG, Section 21-16-15 NMSA 1978 requires a dissolving district to have a plan in place to deal with debts and liabilities. This bill does not require such a plan, yet requires the debts and liabilities to be met.

APP/sb