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FISCAL IMPACT REPORT

SPONSOR: Ogle DATE TYPED: 2/14/03 HB 164a/HEC

SHORT TITLE: Time Limit for Local GO Bonds SB _____

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From

Taxation and Revenue Department (TRD)
State Department of Education (SDE)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment deletes the original bills exceptions for (1) class A counties with a population over 450,000, (2) municipalities with a population over 300,000 and (3) school districts located in the class A county are not allowed to sell bonds beyond three years, except for the purpose of refunding previous bond issues or in payment of judgments.

Synopsis of Original Bill

House Bill 164 amends statute to increase the time limit to issue general obligation bonds from three years to four years for New Mexico school districts, municipalities and counties. The bill does have exceptions: (1) class A counties with a population over 450,000, (2) municipalities with a population over 300,000 and (3) school districts located in the class A county are not allowed to sell bonds beyond three years, except for the purpose of refunding previous bond issues or in payment of judgments.

FISCAL IMPLICATIONS

HB 164 does not have a fiscal impact to the state. However, it will allow for greater flexibility at individual school district, thereby allowing cost savings regarding the timing of bond elections and issuance sizes.

OTHER SUBSTANTIVE ISSUES

SDE notes that subsection B of this bill should be clarified to address school districts that are located partially in a class A county and partially in a county that is not. For example, the Albuquerque School District is located in both Bernalillo and Sandoval counties. Only Bernalillo and Dona Ana Counties meet the class A requirement identified in this bill. The Moriarty school district is located in Bernalillo, Santa Fe and Torrance Counties. Again, only Bernalillo County and the city of Albuquerque would meet the class A requirement in this bill.

Section 4-44-1 NMSA 1978 defines class "A" counties as "those having a final, full assessed valuation over \$75,000,000 and having a population of one hundred thousand persons or more as determined by the last official United States census."

SN/yr:sb