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FISCAL IMPACT REPORT

SPONSOR: Stewart DATE TYPED: 2/13/03 HB 166

SHORT TITLE: Amend Property Tax Rates SB _____

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$63,500.0	\$64,770.0	Recurring	Public Schools
	(\$32,750.0)	(\$32,385.0)	Recurring	Municipalities
	(\$32,750.0)	(\$32,385.0)	Recurring	Counties

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From:

State Department of Education (SDE)

No Responses Received From:

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 166 amends statute to lower the allowable operational mill levy rates for counties and municipalities from 11.85 mills and 7.65 mills to 10.85 and 6.65 mills respectively. The allowable general operational mill levy rates for public schools off sets the reductions at a municipal and county level increasing from .50 mills to 2.50 mills.

House Bill 166 -- Page 2

HB 166 amends the Public School Code to allow the state to take credit for 100 percent of the revenues receive by the additional 2 mills transferred from the municipalities or counties.

HB 166 adds a temporary provision pursuant to Section 7-37-7.1 (yield control). The revenue due from the imposition on residential or nonresidential property for the prior year must be calculated as if the same tax rates authorized by the bill had been in effect during the prior year.

FISCAL IMPLICATIONS

HB 166 shifts operational mills from cities and counties to school districts. These revenues are not general fund. However, they have the potential to supplant general funds for public schools.

OTHER SUBSTANTIVE ISSUES

Special attention should be given to New Mexico's status as an equalized state for taking credit for federal funding under "PL 874" or Impact Aid payments.

DW/prr/njw