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FISCAL IMPACT REPORT

SPONSOR: Garcia, MH DATE TYPED: 2/11/03 HB 195

SHORT TITLE: Teacher Housing Revenue 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

State Department of Education (SDE)

SUMMARY

Synopsis of Bill

House Bill 195 amends the Teacher Housing Revenue Bond act adopted in 2002 to add a specific non-impairment clause with regard to the pledge of Federal Fund to repay bonds issued by a local school district.

Significant Issues

The School Revenue Bond Act, Section 22-19A-1 et seq. NMSA 1978, allows school districts to issue school revenue bonds to finance the purchase, construction, renovation, equipping or furnishing of an income project. These bonds are to be paid solely from pledgeable revenue and do not constitute an indebtedness or general obligation for the school district, the state or any other political subdivision of the state.

House Bill 195 would prevent the state from interfering in the agreements made with bondhold-

ers and local school boards until the bonds have been retired, assuring that the district will retain the ability to make prompt payment of bonds. This will prevent the recapture of cash balances by the state and reduce hardships to the districts as they work to retire their bond obligations.

POSSIBLE QUESTIONS

Will HB 195 affect the current practice of “taking credit” for Federal Impact Aid in the State Equalization Guarantee if these revenues are deemed “pledgeable revenue”?

SN/sb