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## FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 03/17/03 HB 630/aHFI#1/aSPAC

SHORT TITLE: Make Schools Payable by Impact Fees SB \_\_\_\_\_

ANALYST: Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI		See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Senate Bill 650

### REVENUE

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

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Deficiencies Correction Unit (DCU)  
State Department of Education (SDE)

### SUMMARY

#### Synopsis of SPAC Amendments

Senate Public Affairs Committee amendments to House Bill 630 are as follows:

Item 1 strikes the House Floor Amendment #1.

Item 2 corrects the title of the bill to include “broadening the definition of capital improvements.”

Item 3 amends the definition of “capital improvement” as used in the Development Fees Act to include “school buildings and essential equipment costing \$10,000 or more and having a life expectancy of ten years or more.”

Synopsis of HFI Amendment

House Floor Amendment #1 to House Bill 630 removes school buildings and essential equipment costing \$10,000 or more and having a life expectancy of ten years or more from the list of items payable by impact fees. The amendment also adds buildings for fire, police and rescue and essential equipment costing \$10,000 or more and having a life expectancy of ten years or more to the list of items payable by impact fees.

Synopsis of Original Bill

House Bill 630 relates to development fees; removing schools from the list of items not payable by impact fees.

Significant Issues

House Bill 630 amends the Development Fees Act to provide that schools are eligible for the use of revenues generated by impact fees. Impact fees are monetary assessments imposed by a municipality or a county on new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development. Impact fees are most often used for capital improvement that have a life expectancy of ten or more years and are owned and operated by or on behalf of a municipality or county such as roads, water and sewer systems.

Enactment of House Bill 630 will result in schools being eligible for certain capital improvement projects funded through impact fees.

**FISCAL IMPLICATIONS**

School districts affected by increased development in their service area should benefit from the availability of revenue generated by impact fees. However, some of the burden and responsibility for infrastructure development could be shifted to developers.

**RELATIONSHIP**

Senate Bill 650 removes schools and libraries as payable capital improvements by impact fees and specifically lists a “school building” as an eligible capital improvement within the definitions.

**LMK/prr:yr:njw**