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FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/07

SPONSOR Swisstack LAST UPDATED _____ HB 598

SHORT TITLE Municipal Inmates in County Jails SB _____

ANALYST Peery-Galon

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|------|-------------------------|------------------|
| FY07 | FY08 | | |
| | NFI | | |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Non-Rec | Fund Affected |
|-------------------|---------|---------|-------------------------|------------------|
| FY07 | FY08 | FY09 | | |
| NA | Unknown | Unknown | Unknown | Unknown |

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Response Received From
Department of Finance Administration (DFA)

No Responses Received From
Taxation and Revenue Department (TRD)
New Mexico Municipal League (NMML)
New Mexico Association of Counties (NMAC)

SUMMARY

Synopsis of Bill

House Bill 598 amends Section 33-3-23 NMSA 1978 to provide for a fee to the municipality pursuant to an agreement with the county or pursuant to Section 3 of this 2007 Act. No sheriff, jail administrator or independent contractor operating a jail would be obligated to receive a prisoner if doing so would exceed jail capacity or if the Native American entity, United States or the municipality refuses to pay the applicable fee.

House Bill 598 amends Section 33-3-25 NMSA 1978 to require all Local Government Correction Fees to be paid to the county unless there is an agreement established with a municipality to contribute funds equal to at least one-half of the operating costs of the detention facility.

Also, House Bill 598 adds a new section to Chapter 33, Article 3 NMSA 1978, which requires that municipalities in Class A counties with a population of 500,000 or more to pay a fee to the county commission for each inmate housed in the county detention facility who is charged with a municipal offense or was arrested by a municipal police officer. The fee would be established by the county commission and the Local Government Division of the Department of Finance Administration. In addition to the fee, municipalities would be responsible for the following costs of municipal inmate services:

- Medical services, treatment and care;
- Prescription drug services;
- Dental services;
- Mental health services, treatment and care;
- Vision treatment or care;
- Ambulatory services; and
- Transportation services.

FISCAL IMPLICATIONS

DFA notes the only county and city that would be affected by this bill are Bernalillo County and the City of Albuquerque. DFA states officials from the City of Albuquerque have expressed concerns of not having sufficient revenues to pay the extra amount that would be owed to Bernalillo County. City of Albuquerque Administration has stated “if the city pays for each person arrested by the Albuquerque Police Department that will account for 64 percent to 74 percent of the inmate population at the jail. If the total cost of the jail, including debt service, is \$60 million per year and if the fees reflect the total cost of operations and debt, the City of Albuquerque would need to pay the county an additional \$36 to \$44 million. The city has no ability to pay more. The municipal gross receipts tax was cut by 1/8th cent on January 1, 2007 to reflect the lowered cost to the city when the jail was transferred to the county.”

DFA states with respect to the proposed legislation requiring all Local Government Correction Fees are to be paid to the county unless there is an agreement with the city whereby the city would contribute funds equal to at least half the jail operating costs, Bernalillo County Administration note that “in 2006 the county received about \$100,000 and Albuquerque received about \$500,000.”

SIGNIFICANT ISSUES

DFA states since the majority of Bernalillo County residents live in Albuquerque, the impact on the residents as taxpayers needs serious consideration. City of Albuquerque Administration has stated “80.6 percent of Bernalillo County residents are also City of Albuquerque residents. Therefore, on a per capita basis, the vast majority of county revenue is paid by Albuquerque residents. By shifting additional jail cost to the city in the form of per arrestee fees, Albuquerque residents will be further disproportionately burdened with jail costs.”

The implication being that Albuquerque residents will pay as county residents through county taxes and again as city residents through the city budget.

DFA states there is currently a memorandum of understanding between the City of Albuquerque and Bernalillo County whereby provision is made for the city to assist in paying jail operations by providing \$3,138,250 on a quarterly basis plus some consideration for capital expenditures.

ADMINISTRATIVE IMPLICATIONS

DFA states the City of Albuquerque would have to find a revenue source to fund the payment of the fees to Bernalillo County. Also, DFA notes administration of the detention facility is becoming more and more difficult for Bernalillo County to meet its ever increasing jail expenses.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The proposed legislation has a relationship to House Bill 316, House Bill 357, Senate Bill 192 and Senate Bill 410, which deal with enacting a County Detention Facility Reimbursement Act.

AMENDMENTS

DFA notes per the suggestion of a City of Albuquerque official, referring to the Section 3(C) “requires the City to process the bill as a preferential bill and pay it in full before the municipality pays any other bills. I do not think this would be workable since all of our bills are legal obligations.”

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