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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/23/07

SPONSOR Lundstrom LAST UPDATED \_\_\_\_\_ HB HJM 44

SHORT TITLE Extraterritorial Zoning Task Force SB \_\_\_\_\_

ANALYST Wilson

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance & Administration (DFA)

Environment Department (ED)

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 44 asks the New Mexico Association of Counties and the New Mexico Municipal League to form an Extraterritorial Task Force to study the laws governing planning, zoning, annexation and land development in the exterritorial zones and make recommendations to the Governor and legislature by November 1, 2007.

### FISCAL IMPLICATIONS

There is no fiscal impact in this memorial.

### SIGNIFICANT ISSUES

HJM-44 requests that the NM Municipal League and the NM Association of Counties appoint four persons each to an Extraterritorial Task Force, to address land use related issues affecting the areas immediately surrounding the corporate limits of New Mexico municipalities. The memorial also asks that reform recommendations be brought to the governor and legislature by November 1, 2007.

Laws setting up the framework for guiding growth in the areas immediately surrounding the corporate limits of New Mexico municipalities have not been reviewed in many years. This is despite the fact that much of New Mexico's growth has been at this nexus of local governments, that is, where the more urbanized municipalities meet the more rural county areas. For people living in these extraterritorial zones there is much confusion as to which level of government and what standards the governments set prevail. Increasing demands for more urban levels of services -- streets, water, wastewater, recycling, solid waste, internet, and libraries, to name a few -- conflict with both the desire for a rural lifestyle and the inability of county governments to budget and pay for these services.

PED states that many school districts are struggling to meet the current adequacy standards due to limited resources. At times it is merely impossible to fund things above adequacy such as performing arts centers, auxiliary gymnasiums, etc. These are types of facilities that could be jointly used by local communities and school districts. These types of facilities could be a reality in many communities with sufficient planning and cooperation. Cost sharing may result in a more prudent use of local and state funds as well as utilization of space. This memorial may be a step in guiding these entities towards this direction.

PED also notes that pursuant to 22-4-17 NMSA 1978, local school districts can provide for annexation of certain areas whenever it becomes feasible for students in one district to attend school in another district. The proposed annexation must be adopted by resolution and approved by the PED. There may be several implications as a result of any type of annexation of school districts. It may be a suggestion to include other entities, such as school districts, in the task force that may be affected by any of the recommendations that come out of this study.

ED works on permitting processes for wastewater treatment plants, landfills and other facilities that the public and even local governments consider cumulative impacts on the health and environment of the local community. ED has no authority to regulate land use or planning and zoning issues in its permitting matters. Planning and zoning at the local level will help the ED in its permitting matters because it will enable local governments to plan for the best use of its land and placement of industrial and government services in establishing mechanisms for growth management. Otherwise, sprawl and encroachment will continue to occur.

## **ADMINISTRATIVE IMPLICATIONS**

The memorial calls for the task force to be staffed by the Local Government Division, which has ample experience in such assignments and can handle this memorial with existing staff.

## **OTHER SUBSTANTIVE ISSUES**

Per the Querencia, January 2007, a second report of the Our Communities, Our Future Task Force, New Mexico's zoning laws are antiquated and need revision to give local governments more flexibility and creativity in the development of livable communities for the future. The Task Force, whose membership includes the executive directors of the NM Association of Counties and the NM Municipal League, endorses the convening of these two organizations to form an extraterritorial planning task force to review and recommend changes to the laws governing planning, zoning, annexation and the development of laws in the extraterritorial zone.