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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/12

SPONSOR Hall, J.W. LAST UPDATED \_\_\_\_\_ HB 268

SHORT TITLE Local Government Corrections Fee Transfers SB \_\_\_\_\_

ANALYST Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Unknown	Unknown	Unknown	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

Attorney General's Office (AGO)

Administrative Office of the Courts (AOC)

#### No Response From

New Mexico Municipal League

### SUMMARY

#### Synopsis of Bill

House Bill 268 would allow a municipality to transfer funds from the collection of a correction fee from a special fund to the municipalities' general fund when the special corrections fee fund's balance is over the projected amount needed for the next fiscal year to provide funding for the items enumerated in NMSA 1978, Section 34-14-11(D)(1) through (7), which includes providing funding for: municipal jailer or juvenile detention officer training; construction and maintenance of a municipal jail or juvenile detention facility; the cost of housing municipal prisoners or juveniles; complying with match or contribution requirements for receipt of federal funds relating to jails or juvenile detention facilities; providing inpatient treatment or substance abuse programs; defraying costs of transporting prisoners and juveniles; or providing electronic monitoring systems.

### FISCAL IMPLICATIONS

Because information such as the number of municipalities with corrections fee fund balances in excess of projected need has not been furnished to the LFC, the fiscal impact upon municipalities affected by this legislation is unknown.

None of the responding agencies reported any fiscal impact related to the implementation of this legislation.

**ADMINISTRATIVE IMPLICATIONS**

House Bill 268 would require the Local Government Division of DFA to approve the transfer of funds from the corrections fee fund to the general fund of municipalities which have projected fund balances in excess of the amount needed for the next fiscal year as determined in Section 35-14-11D, NMSA 1978. The Local Government Division is further charged to base the approval of transfer on the municipality's history of use of the corrections fee and present and future corrections obligations of the municipality.

**OTHER SUBSTANTIVE ISSUES**

The DFA has stated that the responsibility to base disbursements from the corrections fee fund to the general fund of municipalities “may be better determined by the governing body [of the municipality] and the financial staff [of that municipality].”

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo

CJ/svb