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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/15/17

SPONSOR Rodriguez LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Notification of Public Improvement Districts SB 356

ANALYST Clark

### REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19	FY20	FY21		
No Fiscal Impact	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact		

Parenthesis ( ) indicate revenue decreases

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 356 requires the relevant county treasurer be notified of the formation of any public improvement district (PID) within that county. The bill also makes minor language clean-up changes. The effective date of the bill is July 1, 2017.

### FISCAL IMPLICATIONS

There is no fiscal impact.

### SIGNIFICANT ISSUES

The bill adds county treasurer to the following list of entities already required to be notified of public improvement district formations:

- (1) the county assessor and the county in which the district is located;
- (2) the Taxation and Revenue Department; and
- (3) the Local Government Division of the Department of Finance and Administration (DFA).

The addition of county treasurer to the list seems appropriate, particularly given the potential impact on county finances.

DFA provided the following analysis.

A PID provides a mechanism for funding public infrastructure with the purpose of supporting economic development and job creation by allowing special levy bonds, general obligation bonds and revenue bonds to be issued and paid back with an assessment on properties. With the establishment of PIDs in statute, this was an apparent technical oversight by not including the notification to county treasurers.

Notification to county treasurers of PID formation is crucial because treasurers are responsible for collection and distribution of property taxes and assessments dedicated to PIDs within their specific counties. Currently, such notification to the county treasurer's office was being done too late in the process and created logistical problems. Such notification at the formation stage would allow the county treasurers to properly plan the management of such assessment entries on property tax bills in a timely manner as well as ensure that the PID receives all revenues due.

Does the bill meet the Legislative Finance Committee tax policy principles?

1. **Adequacy:** Revenue should be adequate to fund needed government services.
2. **Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
3. **Equity:** Different taxpayers should be treated fairly.
4. **Simplicity:** Collection should be simple and easily understood.
5. **Accountability:** Preferences should be easy to monitor and evaluate

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