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FISCAL IMPACT REPORT

SPONSOR Madrid **ORIGINAL DATE** 2/12/21 **LAST UPDATED** 2/19/21 **HB** 261/aHLLC
SHORT TITLE UNM Data for Muni Incorporation Petitions **SB** _____
ANALYST Nichols

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY21 | FY22 | FY23 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|----------------------|------------------------------|------------------|
| Total | NFI | NFI | NFI | NFI | N/A | N/A |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

University of New Mexico (UNM)

No Response Received

Department of Finance and Administration (DFA)

Taxation and Revenue Department (TRD)

Municipal League

New Mexico Counties

SUMMARY

Synopsis of HLLC Amendment

The House Local Government, Land Grants and Cultural Affairs Committee amendment to House Bill 261 changes bill language to require use of population data from UNM’s Geospatial and Population Studies (GPS) group, instead of the university’s Bureau of Business and Economic Research (BBER).

Synopsis of Bill

House Bill 261 amends statute to require use of population data from the University of New Mexico’s (UNM) Bureau of Business and Economic Research (BBER) in a municipality incorporation petition and removes language requiring that the petitioners cover costs of a census, conducted by the board of county commissioners, of the territory proposed to be incorporated.

To be accepted by the board of county commissioners, the incorporation petition must include BBER data showing the territory in question has a population density of at least one person per acre.

There is no effective date of this bill. It is assumed the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

There is no appropriation contained in this bill. UNM does not anticipate any fiscal impact from providing population data related to municipality incorporation petitions.

Individuals wishing to incorporate a territory would no longer have to pay for a census to be conducted. There is no provision in statute allowing a refund for census expenses if the incorporation petition is not granted.

SIGNIFICANT ISSUES

UNM notes that BBER may not be the appropriate entity to provide population data because it is not able to provide population counts and estimates with the necessary spatial resolution. Rather, the university's Geospatial and Population Studies (GPS) group, which conducts population counts, estimates, and projections, would be a more appropriate entity to provide population-related data and maps.

OTHER SUBSTANTIVE ISSUES

Residents can petition a board of county commissioners to have their territory incorporated as a municipality. A petition must be signed by at least 200 qualified electors or the owners of at least 60 percent of real estate within the territory. The petition must also include a municipal services and revenue plan. The Local Government Division of the Department of Finance and Administration then reviews the petition with a team composed of the division's director or designee, the Taxation and Revenue Department secretary or designee, a county representative, and a representative of the New Mexico Municipal League. The board of county commissioners makes the final determination on whether conditions for incorporation have been met.

ALTERNATIVES

UNM suggests including the university's GPS group as the organization that would provide required population data.

AN/sb/rl/al