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FISCAL IMPACT REPORT

ORIGINAL DATE 03/09/11

SPONSOR HEC LAST UPDATED _____ HB 535/HECS

SHORT TITLE Change Bond Election Day SB _____

ANALYST Aledo

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 450

SOURCES OF INFORMATION

LFC Files

Responses to Original Bill

New Mexico Municipal League (NMML)
Secretary of State (SOS)

SUMMARY

Synopsis of Bill

The House Education Committee substitute for House Bill 535 establishes the second Tuesday in September of each year as “bond election day”.

The following elections are to be held on bond election day:

- election on the imposition of a mill levy;
- election on the imposition of a property tax rate or property tax increase for a specified purpose;
- bond election that is not a school bond election or a statewide election; and
- any nonschool special election at which a tax increase is being voted on.

Additionally, in requiring that all such bond elections be held on a single day, the bill amends:

- Chapter 3 relating to special municipal elections and bond elections;
- Chapter 3 relating to improvement district bond elections;
- Chapter 4 relating to county bond elections for indigent health care;

Chapter 4 relating to county bond elections for special hospital districts;
Chapter 4 relating to county bond elections under the Hospital Funding Act;
Chapter 4 relating to county bond elections for public projects (building, remodeling or making additions to public buildings)
Chapter 4 relating to elections for imposition of improvement district property taxes
Chapter 5 relating to elections for general obligation bond and debt elections of municipalities
Chapter 5 relating to bond elections under the Public Improvement District Act
Chapter 5 relating to property tax elections by Tax Increment Development Districts (TIDDS)
Chapter 7 regarding county property tax elections to fund property tax rebates for low income taxpayers
Chapter 7 regarding elections to implement a local hospital gross receipts tax
Chapter 16 regarding bond issue elections in Curry county for erecting buildings at the bi-state fairgrounds;
Chapter 27 regarding county elections under the Indigent Hospital and County Health Care Act;
Chapter 67 regarding county elections for bond issues for roads and bridges;
Chapter 72 regarding mill levies, property tax increases or bond elections under the Arroyo Flood Control Act, the Las Cruces Arroyo Flood Control Act, the Flood Control District Act, the Southern Sandoval County Arroyo Flood Control Act, and the Eastern Sandoval County Arroyo Flood Control Act.
Chapter 73 regarding elections for bonds for drainage districts within federal reclamation projects;
Chapter 73 regarding elections for bonds for irrigation districts, electrical irrigations districts, conservancy districts, water and sanitation districts; and
Chapter 74 regarding elections for bonds for solid waste authorities;

The bill requires notice of a bond election to be published in a newspaper of general circulation and announced by radio or television in the geographic area covered by the election at least once a week for the four weeks preceding the election.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

The Secretary of State's Office states that holding all bond elections on a single day would provide for more notice and awareness of voters on issues that increase property taxes. This bill would present taxpayers with all the proposed assessments at one time.

The New Mexico Municipal League raised a concern in its analysis for HB 535 that remains relevant to this bill:

NMML asserts that this bill would significantly impair the ability of municipalities and counties to impose increments of the gross receipts tax. Currently, municipalities and counties have the ability to impose gross receipt tax increments that either requires a positive referendum or where a negative referendum is triggered by holding an election within a certain number of days before either January 1 or July 1 of a given year. This legislation would only allow for one

imposition date, that being January 1 of a given year. Fiscal planning and project commencement could be negatively impacted by restricting the ability of a political subdivision regarding the time at which an election may be held for the purposed stated in the bill.

AMENDMENTS

The SOS recommends moving bond election day to a date earlier in the year.

MCA/svb