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FISCAL IMPACT REPORT

ORIGINAL DATE 03/02/11

SPONSOR Sapien LAST UPDATED _____ HB _____

SHORT TITLE Improvement District Procedures and Assessments SB 554

ANALYST Golebiewski

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	NFI	NFI		

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

New Mexico Municipal League

SUMMARY

Synopsis of Bill

Senate Bill 554 would amend Section 3-33-11 NMSA by revising the procedures for the creation of municipal improvement districts to require more information to be provided to affected property owners in the notice of the provisional order creating an improvement district. The bill also limits assessments to direct benefit of improvements, and expands the requirements for posting notices of hearings.

The additional requirements on the notice of provisional order creating an improvement district are to describe in layman's terms understandable to the general public:

- a) the procedures for creating the improvement district, including the requirements for a public hearing and advising property owners of their right to challenge in district court the creation of an improvement district pursuant to Section 39-3-1.1;
- b) the specific purpose, nature and general location of the proposed improvements; and
- c) the estimated total cost of the proposed improvements, the time period over which the cost of improvements are to be paid and the proposed method of determining the assessments.

The county assessor would be required to update their records within thirty days prior to the date of the provisional order so that all property owners within the boundaries of the proposed improvement district are duly notified of preliminary assessment liens.

Furthermore, there would be an additional requirement to post the notices of hearing in three public places within the boundaries of the proposed improvement district not more than forty-five days, nor less than twenty days before the hearing.

FISCAL IMPLICATIONS

SB 554 will have a minimal impact on revenue. It may increase the collection rate of assessments by providing additional information to taxpayers in advance, but this is not expected to be large.

SIGNIFICANT ISSUES

Senate Bill 554 would add transparency to the process of a municipality forming an improvement district. This transparency would benefit property owners in the relevant area.

DFA:

Although SB554 would impose additional notice of assessment requirements on municipal improvement districts, affected property owners would benefit. They would be better informed of their assessment liability, the direct benefit of the assessment and their rights to challenge in district court the creation of an improvement district pursuant to Section 39-3-1.1 NMSA 1978.

ADMINISTRATIVE IMPLICATIONS

The impact on the county assessors' workload should be minimal.

JAG/svb