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FISCAL IMPACT REPORT

SPONSOR Baca ORIGINAL DATE 02/16/21
LAST UPDATED _____ HB _____
SHORT TITLE Soil & Water Conservation Districts SB 332
ANALYST Valenzuela

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See fiscal implications.					

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 332 (SB332) amends the Soil and Water Conservation District (SWCD) Act to reinstate a 10-year limit on local property taxes passed after year 2018. The local property tax revenues may be used by soil and water conservation districts for operational expenses, and the bill specifically prohibits the use for capital projects not originally authorized in the resolution adopted by the supervisors.

FISCAL IMPLICATIONS

SB332 restricts the imposition of property taxes to ten years after voter approval. Soil and water conservation districts would be required to seek voter approval every ten years for the privilege of imposing property taxes on property owners within its taxing district.

The bill restricts use of revenues to operational expenses of the soil and water conservation districts, and specifically, against the use of the funds for capital projects if not originally included in the original resolution approved by voters.

Generally, ballot questions regarding both operational mill levies and capital financing mill levies are broad. Constitutional prohibitions already exist in New Mexico to prohibit the use of operation mill levies for long-term financing of capital projects through loans or bonds. The application of restrictions to pay-as-you-go funding of capital projects with operational mill levies may be complicated by the broad language of ballot questions.

MFV/sb