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## FISCAL IMPACT REPORT

SPONSOR: Stewart DATE TYPED: 03/15/03 HB HJR 4/aHEC/aHVEC

SHORT TITLE: Statewide Mileage Rate for School Funding, CA SB \_\_\_\_\_

ANALYST: Neel

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$63,500.0	\$63,500.0	Recurring	Public School Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to HB 917, Local Operational School Levy Act

### SOURCES OF INFORMATION

LFC files

Responses Received From  
State Department of Education (SDE)

### SUMMARY

#### Synopsis of HVEC Amendment

The Voters and Elections Committee amendments:

- Strikes the HEC amendment.
- Requires the first two mills collected pursuant to 22 mills collected be deposited and distributed through the public school fund.

#### Synopsis of HEC Amendment

The House Education Committee amendment changes language requiring the distribution of the additional mills through the Public School Funding Formula with “provided by law.” This language would allow the funds to be used for the State Equalization Guarantee, Transportation and Supplemental distributions.

Synopsis of Original Bill

HJR 4 proposes to amend Article 8, Section 2, of the state constitution to increase the maximum limit of mills that can be levied on property without a special election to support educational institutions of the state. The amendment would also impose an additional statewide property tax that will be dedicated to public school funding.

Significant Issues

Currently, the total maximum property tax levy for operating purposes is \$20.00 per \$1,000 of net taxable value. The \$20.00 is shared between counties \$11.85, municipalities \$7.65 and school districts \$0.50. If approved by the voters, the maximum property tax levy will increase from \$20.00 to \$22.00. The increase of \$2.00 will be distributed to New Mexico Public Schools for operating purposes. The \$2.00 increase will produce a substantial amount of revenue for school districts on an annual basis. The first year of implementation, the revenue is estimated to be approximately \$63,000,000. This increase will not affect the State Debt Service Fund or the State General Fund; however, it will be a self-imposed tax increase to property owners statewide.

**FISCAL IMPLICATIONS**

According to SDE the additional two mills would generate approximately \$63,500.0 for the Public School Fund.

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