

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/09

SPONSOR Gonzales LAST UPDATED _____ HB 269

SHORT TITLE Computer-Assisted Mass Appraisal System SB _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$6,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.01			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)
 New Mexico Department of Transportation (NMDOT)
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 269 appropriates six million dollars (\$6,000,000) from the general fund to the Taxation and Revenue Department for the property tax division to establish a statewide network of computer-assisted mass appraisal systems (CAMA) to that the systems are available to all county assessors and state agencies needing access to the data and functions of that network.

FISCAL IMPLICATIONS

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The appropriation of six million dollars (\$6,000,000) contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2011 shall revert to the general fund.

SIGNIFICANT ISSUES

The Department of Information Technology (DoIT) has a framework established per law that assures Information Technology (IT) requests are thoroughly evaluated and ranked with other IT requests within available funding. Formal consideration for this IT request by the DoIT was not sought. Taxation and Revenue Department (TRD) has not participated in a formal process through DoIT regarding this system. Because the system request has not gone through the formal state IT process, TRD management has not evaluated the adequacy of the appropriation per the business needs or IT capabilities of various counties.

The access to a network such as on described in the bill could expedite the New Mexico Department of Transportation's (NMDOT) appraisal function as well as save the NMDOT money on its appraisal consultant contracts.

According to the Taxation and Revenue Department (TRD), tax professionals believe a statewide CAMA system would improve administration of New Mexico's property taxes.

ADMINISTRATIVE IMPLICATIONS

TRD management and IT staff have not evaluated the proposal in this bill in depth, and cannot comment on the department's ability to meet the bill's requirements.

The data and functions of an appraisal network would be very beneficial to NMDOT's Right of Way Bureau appraisal unit. It could save NMDOT considerable time appraising property. It could also contribute to the increased accuracy of those appraisals.

DL/svb