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## FISCAL IMPACT REPORT

SPONSOR: Smith DATE TYPED: 3-2-01 HB \_\_\_\_\_  
 SHORT TITLE: Animas School District Bonded Indebtedness SB 398  
 ANALYST: Segura

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY99	FY2000	FY99	FY2000		
\$ 1,200.0				Non-REC	GF

### SOURCES OF INFORMATION

State Department of Education (SDE)

### SUMMARY

#### Synopsis of Bill

Senate Bill 398 appropriates \$1,200.0 from the general fund to the State department of Education to pay the bonded indebtedness of the Animas school district, declaring an emergency.

#### Significant Issues

According to SDE, Senate Bill 398 would assist in eliminating the entire bond indebtedness of the Animas school district. On September 10, 1999 Phelps Dodge Smelter ceases production of copper. It is anticipated the district will lose 50% of the student population and property tax valuations over the next 12 to 18 months. The district has adjusted to a rapid decrease of 30% of the students during the first six months ending in January 2001. Slightly over 500 employees worked at the smelter. Many of the employees lived in the approximately 300 homes and apartments located at the townsite and provided almost 60% of the students for Animas school district. Coupled with the student loss, the tax burden that will be placed on those remaining will be excessive. The economy of the district has plummeted.

### FISCAL IMPLICATIONS

Senate Bill 398 appropriates \$1,200.0 from the general fund and would be non recurring and is a multi-year appropriation.

RS/njw