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## FISCAL IMPACT REPORT



SPONSOR: Hurt DATE TYPED: 2/12/02 HB \_\_\_\_\_

SHORT TITLE: County Emergency Services Tax SB 221/aSF1 #1

ANALYST: J. Sandoval

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 139

### **SOURCES OF INFORMATION**

LFC files

Responses Received From

Department of Health and the Taxation and Revenue Department

No Response

Department of Finance and Administration

### **SUMMARY**

#### Synopsis of SF1 #1 Amendment

Senate Bill 221/a SF1 #1 allows this new tax for only class B counties that have a population of more than one hundred thousand (100,000) but less than one hundred twenty five thousand (125,000) as shown by the most recent federal decennial census.

#### Synopsis of Original Bill

Senate Bill 221 authorizes certain counties to impose an excise tax at a rate not to exceed one-fourth of one percent for county emergency communications and emergency medical services. This bill would add a new section to the County Local Option Gross Taxes Act. The ordinance imposing the tax increase must be approved by a majority of the voters in a general or special election in order for the ordinance to go into effect. The tax may be imposed in one or more increments of one-sixteenth of one percent, not to exceed an aggregate rate of one fourth of one percent. The tax shall not be imposed for a period of more that ten years from the effective date of the ordinance imposing the tax. The tax may only be used for one or both of the following purposes, operation of the emer-

gency communications center that is designated by the Department of Finance and Administration as a public safety answering point and operation of emergency medical services (EMS) provided by the county.

Significant Issues

Creation or expansion of local option taxes of this sort may inhibit the ability of the state to raise revenue from the gross receipts tax, assuming there is a maximum tax rate the public will tolerate.

According to the attachment provided by the Local Government Division of the Department of Finance and Administration, seven counties would not be eligible to impose the new tax: Chaves, Cibola, Eddy, Lea, Lincoln, Otero and Sandoval.

**ADMINISTRATIVE IMPLICATIONS**

None reported.

**OTHER SUBSTANTIVE ISSUES**

- Currently, the only operational funding source provided by the state for EMS and that is the annual EMS Fund Act distribution which is administered by a formula and is estimated to provide about 20% of EMS operational needs.
- Emergency communications centers and county operated emergency medical services are essential safety-net services that are maintained to deal with routine and emergency responses.

**POSSIBLE QUESTIONS**

- What is the current condition of county operated emergency communications and emergency medical services?
- How large of an imposition is this bill on the tax payers of New Mexico?

**JFS/njw**

<b>Potential Revenue from County Emergency Communications and Emergency Services Tax</b> <b>(Illustration at Fiscal Year 2001 Levels)</b>	

County	Fiscal Year 2001	Tax Increment			
	Taxable Gross Receipts	0.0625%	0.1250%	0.1875%	0.2500%
Bernalillo	13,035,054,016	8,146,909	16,293,818	24,440,726	32,587,635
Catron	20,067,046	12,542	25,084	37,626	50,168
Chaves	796,680,337	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Cibola	212,851,473	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Colfax	260,351,080	162,719	325,439	488,158	650,878
Curry	586,346,652	366,467	732,933	1,099,400	1,465,867
DeBaca	37,953,479	23,721	47,442	71,163	94,884
Dona Ana	1,973,377,444	1,233,361	2,466,722	3,700,083	4,933,444
Eddy	1,220,359,924	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Grant	441,532,348	275,958	551,915	827,873	1,103,831
Guadalupe	78,113,369	48,821	97,642	146,463	195,283
Harding	5,524,498	3,453	6,906	10,358	13,811
Hidalgo	52,900,730	33,063	66,126	99,189	132,252
Lea	1,328,295,785	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Lincoln	378,383,780	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Los Alamos	590,497,277	369,061	738,122	1,107,182	1,476,243
Luna	203,683,027	127,302	254,604	381,906	509,208
McKinley	834,785,732	521,741	1,043,482	1,565,223	2,086,964
Mora	22,763,901	14,227	28,455	42,682	56,910
Otero	614,997,477	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Quay	119,839,260	74,900	149,799	224,699	299,598
Rio Arriba	421,822,448	263,639	527,278	790,917	1,054,556
Roosevelt	160,103,576	100,065	200,129	300,194	400,259
Sandoval	1,074,145,608	Not Eligible	Not Eligible	Not Eligible	Not Eligible
San Juan	2,520,137,314	1,575,086	3,150,172	4,725,257	6,300,343
San Miguel	274,204,720	171,378	342,756	514,134	685,512
Santa Fe	3,070,093,273	1,918,808	3,837,617	5,756,425	7,675,233
Sierra	115,154,782	71,972	143,943	215,915	287,887
Socorro	134,207,864	83,880	167,760	251,640	335,520
Taos	476,774,872	297,984	595,969	893,953	1,191,937
Torrance	131,481,327	82,176	164,352	246,527	328,703
Union	78,088,112	48,805	97,610	146,415	195,220
Valencia	496,852,042	310,533	621,065	931,598	1,242,130
<b>All Eligible Counties</b>	<b>26,141,710,189</b>	<b>16,338,569</b>	<b>32,677,138</b>	<b>49,015,707</b>	<b>65,354,275</b>