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## FISCAL IMPACT REPORT

SPONSOR Cisneros DATE TYPED 2-14-04 HB \_\_\_\_\_

SHORT TITLE Amend County Fire Protection Excise Tax SB 358

ANALYST Neel

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	41,300.0	43,100.0	Recurring	Local Government

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to:

SB 88, Expand County Gross Receipts Tax Authority

HB 44, County Local Option Gross Receipts

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 359 makes the following changes to statute:

#### **County Fire Protection Gross Receipts Tax (amends Section 7-20E-15)**

- Removes current sunset provisions stipulating that the initial imposition of the tax shall be limited to a ten-year period, and subsequent impositions shall be limited to five-year periods.

#### **County Emergency Communications and Emergency Medical Services Tax (amends Section 7-20E-22)**

- Removes current sunset provisions stipulating that the initial and subsequent impositions of the tax shall be limited to ten-year periods.

***County Correctional Facility Gross Receipts Tax (amends Sections 7-20F-2 and 7-20F-3)***

- Expands authority to impose this tax to all counties (currently, only Chaves, Dona Ana, and Valencia counties are authorized to impose the tax);
- Removes a stipulation that voters approve issuance of general obligation bonds to finance construction of correctional facilities as a condition of imposing the tax;
- Removes the current ten-year imposition limitation;
- Removes voter approval requirements for enactment of an ordinance imposing the tax—although county voters may petition to bring the issue to election; and
- Expands allowable uses of the tax to permit use for operational expenses, as well as capital.

Additionally SB 358 adds provisions where the ordinance imposing the county correctional gross receipts tax may be sent to voters for their approval.

**FISCAL IMPLICATIONS**

TRD provided the following assumptions:

The fiscal impact illustrates the total additional revenue potential if all counties were to impose the additional tax increments authorized by this bill. The countywide gross receipts tax base is expected to be approximately \$41.3 billion by FY 2005.

The table attached to page 3 of this report provides a county-by-county illustration of potential revenue if provisions of this bill were in effect for FY 2003.

SN/yr

Potential Revenue from County Correctional Facility GRT

Fiscal Year 2003

County	Taxable Gross Receipts (FY 2003)	Potential Revenue: 1/8% County Correctional GRT Increment
Bernalillo	13,802,000,000	17,260,000
Catron	26,000,000	40,000
Chaves	845,000,000	N/A
Cibola	216,000,000	280,000
Colfax	248,000,000	320,000
Curry	629,000,000	780,000
De Baca	21,000,000	20,000
Dona Ana	2,302,000,000	N/A
Eddy	1,247,000,000	1,560,000
Grant	370,000,000	460,000
Guadalupe	80,000,000	100,000
Harding	9,000,000	20,000
Hidalgo	76,000,000	100,000
Lea	1,344,000,000	1,680,000
Lincoln	474,000,000	600,000
Los Alamos	748,000,000	940,000
Luna	273,000,000	340,000
McKinley	890,000,000	1,120,000
Mora	25,000,000	40,000
Otero	653,000,000	820,000
Quay	118,000,000	140,000
Rio Arriba	444,000,000	560,000
Roosevelt	205,000,000	260,000
Sandoval	862,000,000	1,080,000
San Juan	2,747,000,000	3,440,000
San Miguel	287,000,000	360,000
Santa Fe	3,224,000,000	4,040,000
Sierra	125,000,000	160,000
Socorro	143,000,000	180,000
Taos	523,000,000	660,000
Torrance	142,000,000	180,000
Union	64,000,000	80,000
Valencia	542,000,000	N/A
<b>All Counties</b>	<b>33,704,000,000</b>	<b>37,620,000</b>