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FISCAL IMPACT REPORT

SPONSOR HCPAC DATE TYPED 2-16-04 HB 611/HCPACS

SHORT TITLE Property Tax Authorization for Health Purposes SB _____

ANALYST Taylor

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	Indeterminate	Indeterminate	Recurring	County Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

HB 611 would allow a county with a population between 41,000 and 45,000 in the last decennial census (Rio Arriba county population 41,190 in 2000) to submit a property tax increase to the voters for the purpose of providing health care to sick and indigent persons in the county. The county would have to put the question to voters in either a general or special election. The tax would be limited to no more than 8 years.

The proposed property tax increase could not exceed \$1.50 per thousand dollars of net taxable value. This mill levy would not be subject to rate limitations.

FISCAL IMPLICATIONS

The fiscal impact of this bill is indeterminate because it is not known if the county would try to impose the tax, what rate it would choose and whether the voters would approve or not. If the county decided to impose the maximum rate of \$1.50 per thousand, the tax could be expected to raise \$1.14 million or more. This is equal to the county's assessed valued of \$760 million as fiscal year 2000 multiplied by 0.0015 (1.5/1000). Given that property values have grown, the maximum impact actually should be somewhat larger, perhaps \$1.3 million or so.

OTHER SUBSTANTIVE ISSUES

The bill stipulates that the purpose of the tax is to provide health care to sick and indigent persons. However, no definition as to who would qualify is provided. No administrative agency is named to determine who would qualify, how much assistance would be provided etc.

BT/lg