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FISCAL IMPACT REPORT

ORIGINAL DATE 1-26-06
 SPONSOR Garcia, MP LAST UPDATED 1-30-06 HB 226/aHGUAC
 SHORT TITLE SOUTH VALLEY INCORPORATION STUDY SB _____
 ANALYST Hadwiger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$35.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of HGUAC Amendment

The House Government and Urban Affairs Committee amendment directs DFA to make a grant with the North Central Economic Development District rather than the Mid Region Council of Governments, but does not change the purpose or amount of the appropriation.

Synopsis of Original Bill

House Bill 226 appropriates \$35 thousand from the general fund to the Local Government Division of the Department of Finance and Administration (DFA) in FY07 for a grant to the Mid-Region Council of Governments to study the feasibility of incorporating the South Valley of Bernalillo County.

FISCAL IMPLICATIONS

The appropriation of \$35 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

DFA noted that, with a population of approximately 39,060, the south valley of Bernalillo County plays an important role both to the County and the City of Albuquerque. It has a history of being rural, and a heritage of agriculture. The south valley is also close to the Albuquerque International Airport. This makes the south valley unique. The issue of incorporation for the south valley has a history of many years. Proponents indicate they are not properly represented by the City of Albuquerque or Bernalillo County. The City of Albuquerque has annexed commercial properties including shopping centers and other commercial interests. As part of the annexation the city has provided water hook-up and other essential services. DFA indicated that, if incorporation does take place in the future, property taxes might have to be raised significantly to pay for a municipal structure of government along with all the essential services.

ADMINISTRATIVE IMPLICATIONS

DFA indicates the appropriation can be administered by the Local Government Division.

DH/yr