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FISCAL IMPACT REPORT

ORIGINAL DATE 2/3/06

SPONSOR Herrera LAST UPDATED _____ HB 523

SHORT TITLE Homeland Security Training Center SB _____

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$130.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 523 appropriates \$130,000 from the general fund to the Board of Regents of New Mexico Institute of Mining and Technology (NMIMT) to provide payment in lieu of taxes for operating expenses associated with homeland security training at the Playas training center in Hidalgo County.

FISCAL IMPLICATIONS

The appropriation of \$130,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

This proposal was not included among the special program funding requests submitted by the NMIMT to the Higher Education Department (HED) for review. Consequently, this proposal has not been included in the HED fiscal year 2007 funding recommendations to the Legislature.

ADMINISTRATIVE IMPLICATIONS

No significant administrative impact is apparent.

OTHER SUBSTANTIVE ISSUES

HED indicates that the intent of this legislation is to provide NMIMT the funding for payment to Hidalgo County for operating expenses associated with homeland security training at the Playas Training Center. Since NMIMT purchased the town of Playas, it has been removed from the tax roll for Hidalgo County. The funds allocated in this bill are to pay for basic county services such as fire protection in Playas.

POSSIBLE QUESTIONS

Have Hidalgo County and NMIMT negotiated a price for the public services to be provided at Playas? What is included?

Is NMIMT currently paying for these services and what source of revenue is being used?

How much tax revenue has Hidalgo County lost as a result of the closure of the Playas facility? Is there any relationship between the amount of lost revenue and the amount of the requested appropriation?

DKE/mt