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FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/07
 LAST UPDATED 3/15/07

SPONSOR M. Sanchez HB _____

SHORT TITLE Municipality Condemnations and Annexations SB 659/aHHGAC

ANALYST Propst/Wilson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 469

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
 Department of Finance and Administration (DFA)
 NM Municipal League

SUMMARY

Synopsis of HHGAC Amendment

The House Health & Government Affairs Committee amendment returns the bill to the existing Condemnation statutes, except the amendment language does not allow a municipality to exercise the power of eminent domain for reservoirs, streams, water or water rights outside the boundary of the municipality.

Synopsis of Original Bill

Senate Bill 659 would require that annexation petitions be signed by the majority of the owners of land in the contiguous territory sought to be annexed. It would also prohibit a municipality from exercising its power of eminent domain outside of its municipal boundaries to condemn property for sewage collection, treatment or disposal, water facilities or potable water.

SIGNIFICANT ISSUES

The Attorney General reports that current law requires that a petition to annex contiguous property by a city be signed by the owners of a majority of the number of acres in the contiguous territory. SB 659 would add a requirement that the petition also be signed by the majority of the owners of land in the contiguous territory sought to be annexed.

The bill would also amend current state law to specifically eliminate the right of a municipality to use its power of eminent domain to acquire property for sewage collection, treatment or disposal beyond its boundaries. That power currently extends to the territory occupied by the sewer facilities, which may be outside municipal boundaries.

Finally, the AG notes that SB 659 would also prohibit the exercise of the power of eminent domain by a municipality beyond its boundaries for the purpose of acquiring water facilities or potable water. Current law expressly allows the exercise of that power beyond municipal boundaries.

The NM Municipal League noted its concern that SB 659 may significantly limit the ability of municipalities to annex territory by adding the additional requirement that a majority of the owners of the land contiguous to the municipality also sign a petition for annexation. The bill will also limit the ability of municipalities to condemn land necessary for the construction, operation and maintenance of water and waste water facilities by limiting annexation authority to within the municipal boundaries. Thus, if a municipality has or needs to install a facility (such as a well or reservoir) outside the municipal boundaries, it must purchase the necessary property or right of way on the open market.

WEP/sb:csd