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FISCAL IMPACT REPORT

ORIGINAL DATE 1/16/08
LAST UPDATED 2/5/08 **HB** _____

SPONSOR Snyder _____

SHORT TITLE Law Enforcement Protection Fund Distributions **SB** 20 _____

ANALYST Wilson _____

REVENUE

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
-6,361.7	-6,486.0	-6,604.7	Recurring	General Fund
6,361.7	6,486.0	6,604.7	Recurring	Law Enforcement Protection Fund, thence to local law enforcement agencies.

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance & Administration (DFA)
 Department of Public Safety (DPS)
 Higher Education Department (HED)
 New Mexico Municipal League (NMML)
 Indian Affairs Department (IAD)
 State Treasurer's Office (STO)
 Taxation & Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 20 clarifies that distributions from the Law Enforcement Protection Fund (Protection Fund) will be made to the Peace Officers' Survivors Fund (Pease Fund). Additionally, SB 20 amends the Law Enforcement Protection Fund Act (NMSA 29-13-1, et seq.) to increase amounts distributed from the Protection Fund to municipal, university and tribal police and county sheriff departments.

SB 20 reconciles multiple amendments to the same section in Laws 2002 by adding a formula for calculating the Protection Fund's total amount for distribution and requires the Local Government Division (LGD) of Department of Finance and Administration (DFA) to use this proposed formula and the current method of calculation. DFA will then choose the higher amount resulting from these two calculations as the Protection Fund's total distribution amount.

This will ensure that law enforcement departments receive the highest possible amount of funding from the Protection Fund.

FISCAL IMPLICATIONS

The proposed increased distributions will reduce the amount remaining in the Law Enforcement Protection Fund, which will reduce reversions from the Fund to the General Fund because the distribution calculation in the proposed legislation generates an increased total distribution for each department in proportion to the increase in the total distribution.

The bill increases amounts distributed from the Protection Fund to municipal, university and tribal police and county sheriff departments as follows:

- County or sheriffs department having a population of 0 to 20,000 people shall receive a distribution of \$40,000 instead of the current \$20,000.
- County or sheriffs department having a population of 20,000 to 160,000 people shall receive a distribution of \$60,000 instead of the current \$30,000.
- County or sheriffs department having a population of 160,000 to 1,280,000 people shall receive a distribution of \$80,000 instead of the current \$40,000.
- University police departments shall be entitled to a rate of distribution of \$34,000 instead of the current \$17,000
- Tribal police departments shall be entitled, unless allocations are adjusted pursuant to the provisions of later sections of this bill, to \$1,000 for each commissioned peace officer in the tribe in- stead of the current \$600.
- Municipal and university police and county sheriff's departments shall be entitled, unless allocations are adjusted pursuant to the provisions of later sections of this bill, to \$1,000 for each police officer or sheriff's deputy employed full time instead of the current \$600.

DFA provided the following:

The bill is designed to distribute 100% of the revenues accruing to the fund from insurance premiums. The General Fund fiscal impact derives from the fact that, under current statute, revenues in excess of formula-based distributions revert to the General Fund. This amount is estimated at about \$6.5 million annually. This reversion will be eliminated pursuant to the bill.

A recent Local Government Division report indicates that revenues are sufficient to support 100% of the increased distributions proposed in this bill. The growth in the law enforcement protection fund can cover the proposed increased distributions and some amount of excess over the formula amounts. This excess amount will also be distributed pursuant to the new Section E

SIGNIFICANT ISSUES

The IAD states that the Protection Fund was created to promote efficient and effective law enforcement by providing equitable funding to municipal, university, and tribal police and county sheriff's departments (NMSA 29-13-2). The Protection Fund also provides for the Peace Fund which supports families of peace officers killed in the line of duty. A NM tribal police department is entitled to distributions from the Protection Fund, provided that the Nation, Tribe, or Pueblo's law enforcement officers are also commissioned by the Chief of NM State Police to enforce state laws as a New Mexico Peace Officer (NMSA 29-1-11A).

IAD supports the bill as a much needed funding source for NM tribal law enforcement agencies by supplying increased support for peace officer operations. The National Congress of American Indians notes that a typical tribal police department has to cope with an increased workload driven by rises in gang violence and methamphetamine use despite limited resources. Tribal law enforcement advocates state that current funding for Tribal law enforcement (mainly federal) lags well behind that for non-tribal law enforcement and first responders.

SB 20 adds a formula for calculating the Protection Fund's total amount for distribution and requires DFA to use this proposed formula and the current method of calculation. DFA will then choose the higher amount resulting from these two calculations as the Protection Fund's total distribution amount. This will ensure that law enforcement departments receive the highest possible amount of funding from the Protection Fund.

The New Mexico Municipal League notes the distribution amounts to law enforcement agencies has not been adjusted since calendar year 2000. Since that time the amount of the distribution to Law Enforcement Agencies has been eroded by inflation. Increasing the amount of the distribution will allow Law Enforcement Agencies to continue to equip officers with advanced law enforcement equipment and to train officers.

ADMINISTRATIVE IMPLICATIONS

DFA is currently distributing these funds so there will be a minimal impact on them when they change the appropriate formulas to conform to this bill.

OTHER SUBSTANTIVE ISSUES

Local law enforcement agencies seek funding from many sources as needs for equipment and advanced training increase. Reduction in Federal Law Enforcement grants have placed additional strains on many communities resulting in decreased revenues. The Fund is an essential element of all current public safety operating budgets and the amendments proposed in the bill will provide an infusion of needed revenue into the fund.

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