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## FISCAL IMPACT REPORT

ORIGINAL DATE 3-7-09

SPONSOR HEC LAST UPDATED \_\_\_\_\_ HB 894/HECS

SHORT TITLE Joint Power Agreement Definitions SB \_\_\_\_\_

ANALYST Ortiz

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Attorney General's Office (AGO)

Department of Finance and Administration (DFA)

Public Education Department (PED)

*Responses from above agencies are based on the original bill however the issues brought up remain relevant and are noted below.*

### SUMMARY

#### Synopsis of Bill

The House Education Committee substitute to House Bill 894, like the original bill, amends NMSA Section 11-1-2 of the Joint Powers Agreements Act (NMSA Sections 11-1-1 to 11-1-7) to revise the definition of "public agency" to include "another" state, and to eliminate the phrase "adjoining state". The difference between the original bill and the substitute is that substitute removed the section to include "a school district of another state".

### SIGNIFICANT ISSUES

According to the Attorney General's Office, the Joint Powers Agreements Act generally allows two or more "public agencies" to enter into agreements for the exercise of powers common to those agencies, subject to the approval of the Secretary of the Department of Finance and Administration. This bill will allow the State of New Mexico and its public entities to enter into joint powers agreements with any other state. Current law limits that authority to those agreements with "an adjoining state". The bill will also allow public agencies in New Mexico to

enter into joint powers agreements with school districts in another state. Current law allows New Mexico public agencies to enter into those agreements with “a New Mexico school district”.

**ADMINISTRATIVE IMPLICATIONS**

The bill, if enacted, notes PED, will remove any confusion as to the states with which a New Mexico public agency may properly enter into a joint powers agreement.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

DFA states that failure to pass this bill would maintain the artificial restriction upon the use of joint power agreements to only "adjoining" states.

EO/mc