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FISCAL IMPACT REPORT

SPONSOR Stewart **ORIGINAL DATE** 02/10/15 **LAST UPDATED** 02/19/15 **HB** _____

SHORT TITLE Public School Lease Purchase Act Definitions **SB** 130/aSEC

ANALYST Gudgel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Public School Facilities Authority (PSFA)

SUMMARY

Synopsis of SEC Amendment

Senate Education Committee Amendment to Senate Bill 130 makes a number of technical changes that include the term “school district” or “charter school” to mirror changes throughout the bill.

Synopsis of Bill

Senate Bill 130, endorsed by the Legislative Education Study Committee, amends the Public School Lease Purchase Act to clarify current provisions that lack a reference to charter schools. Section 22-26A-19 allows charter schools to enter into lease purchase agreements pursuant to the Act with two exceptions – they are not allowed to adopt a resolution, proposing a tax, or conducting an election pursuant to sections of the Act to finance a lease purchase agreement. The bill repeals Section 22-26A-19 NMSA 1978 but then includes a new definition of “governing body” for the Act that includes charter school governing boards and school district boards of education and changes reference to “local school board” throughout the Act to read governing body to address elimination of Section 22-26A-19 NMSA 1978. Changes by the bill appear to be technical in nature and do not make substantive changes to charter school or school district rights and responsibilities under the Act.

FISCAL IMPLICATIONS

The bill does not change current law and has not fiscal impact. However, see Technical Issues for proposed clarification on Subsection K (pages 5 and 6) relating to the ability to assign a leasehold interest to another state entity.

SIGNIFICANT ISSUES

As noted above, changes included in the bill are technical in nature and do not make substantive changes to charter school or school district rights and responsibilities under the act. The bill eliminates confusing sections in Paragraphs B and C of Section 1 of the bill and replaces them with a simplified definition of “governing body” that includes local school district boards of education and governing bodies of charter schools.

TECHNICAL ISSUES

Subsection K, page 5, lines 19 through 15 and page 6, lines omit several changes necessary to mirror other changes in the bill as follows:

- Insert “or charter school” after “district” on line 22 of page 5;
- Insert “school district or” after “a” on line 25 of page 5 and delete “,if the lessee is a charter school” on line 1, page 6.

These changes ensure that neither a school district nor a charter school will incur costs of assigning their interest in a lease purchase agreement and ensures that the interest can be transferred to a charter school, school district, or other public entity.

Subsection E, page 8, line 8 – LFC staff suggests the term “of the charter school” be inserted after “; provided that the governing body” to clarify it is the charter school’s responsibility to notify, given the definition of “governing body” refers to both charter schools and school districts.

These technical issues were addressed by the Senate Education Committee Amendment.

RSG/bb/je