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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/17

SPONSOR     Roch     LAST UPDATED                      HB   161  

SHORT TITLE   Prior Year Data for School Distributions   SB                     

ANALYST   Liu  

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
	Indeterminate	Indeterminate	Recurring	Public School Capital Improvements Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to HB69, SB63, SB147

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public School Facilities Authority (PSFA)

### SUMMARY

#### Synopsis of Bill

House Bill 161 amends the Public School Capital Improvements Act, requiring the Public Education Department (PED) to use prior year data for the determination of imposed tax distribution amounts to school districts and charter schools. Revenue estimates from imposed taxes under this bill would use prior year valuations and prior year first reporting dates for school district program units. This bill is endorsed by the Public School Capital Outlay Oversight Task Force.

The effective date of this bill is July 1, 2017.

### FISCAL IMPLICATIONS

The fiscal implications of this bill are dependent on the number of school districts that have imposed a tax under the Public School Capital Improvements Act, reported property tax valuations from eligible school districts, and first reporting date enrollment for eligible school

districts. For example, total municipality taxable property values for 2016 were \$32 million and 2016-2017 school year first reporting date enrollment generated 589 thousand program units. However, total municipality taxable property values for 2015 were \$31 million and 2015-2016 school year first reporting date enrollment generated 597.4 thousand program units. Although prior year total taxable property values are typically lower, first reporting date enrollment may fluctuate from year to year. Additionally, aggregate estimates may not clearly account for variations in property values and enrollment for each individual district. As such, future fiscal impacts after the effective date of this bill are indeterminate at this time.

### **SIGNIFICANT ISSUES**

PSFA notes the use of prior year reporting periods for distribution amounts to school districts will ensure timeliness of the data, which could enable PED to make distributions sooner. Earlier distribution amounts to school districts may reduce fund balance carryover amounts and promote expeditious spending of Public School Capital Improvements Act revenues.

### **RELATIONSHIP**

This bill relates to HB69 and SB63, relate to capital improvements for educational technology, and SB147, which adjusts local and state matches for capital outlay funding.

SL/jle