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FISCAL IMPACT REPORT

SPONSOR Powdrell-Culbert ORIGINAL DATE 2/02/17
 LAST UPDATED 2/27/17 HB 259/aHAFC/ec

SHORT TITLE Purchase of Emergency Communications Gear SB _____

ANALYST Romero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	\$0.0	\$0.0	Nonrecurring	TRD Operating

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: Senate Bill 234

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Department of Information Technology (DoIT)

Taxation and Revenue Department (TRD)

Department of Health (DOH)

SUMMARY

Synopsis of HAFC Amendment

House Appropriations and Finance Amendment to House Bill 259 amends the title, striking “making an appropriation”. This amendment also changes a portion of the new section “M”, striking “operating” and replacing it with “purchasing emergency communications equipment for”. This change provides clarity for how proceeds from tax revenue bonds and countywide emergency communications and emergency medical and behavioral health services bonds may be utilized. The amendment clears up any ambiguity that would exist in use of funding for “operating” an emergency communications center.

The amendment also provides additional direction for issuing the tax revenue bonds, as determined by the Local Government Division of the Department of Finance and Administration, only “if the useful life of the equipment exceeds the term in which the bonds mature”.

Synopsis of Bill

House Bill 259 amends Section 4-62-1 NMSA 1978 to create the county area and countywide emergency communications and emergency medical and behavioral health services tax revenue bonds. The bill also amends Section 7-20E-22 NMSA 1978 to allow the revenue received from the county wide and county area emergency communications and emergency medical and behavioral health services tax to be used for the purchase of emergency communications equipment for an emergency communications center to serve as a consolidated public safety answering point.

This bill has an emergency clause.

FISCAL IMPLICATIONS

House Bill 259 has a minimal impact on the Taxation and Revenue Department (TRD). If a county imposes a new gross receipts tax (GRT) increment it will be absorbed as part of TRD’s existing process.

The estimated revenue collections of the county GRT local option for the county governments that choose to enact it are unknown. However, the Taxation and Revenue Department included helpful information of all counties below showing: 1) 2010 population; 2) county classification; 3) taxable gross receipts in FY16; and, 4) equivalent 1/8th or 1/16th revenue estimates.

County	Population 2010 Census	2016 Class*	FY16 Taxable Gross Receipts	1/8th Revenue Estimate	1/16th Revenue Estimate
Bernalillo	662,564	A	\$16,736,471,545	\$20,920,589	\$10,460,295
Catron	3,725	B-Under	\$48,076,247	\$60,095	\$30,048
Chaves	65,645	B-Over	\$1,045,890,853	\$1,307,364	\$653,682
Cibola	27,213	B-Over	\$357,308,235	\$446,635	\$223,318
Colfax	13,750	B-Over	\$269,513,268	\$336,892	\$168,446
Curry	48,376	B-Over	\$994,088,218	\$1,242,610	\$621,305
De Baca	2,022	B-Under	\$37,034,372	\$46,293	\$23,146
Dona Ana	209,233	A	\$3,328,695,522	\$4,160,869	\$2,080,435
Eddy	53,829	B-Over	\$3,139,482,174	\$3,924,353	\$1,962,176
Grant	29,514	B-Over	\$446,021,619	\$557,527	\$278,764
Guadalupe	4,687	B-Under	\$86,835,196	\$108,544	\$54,272
Harding	695	B-Under	\$17,801,092	\$22,251	\$11,126
Hidalgo	4,894	B-Under	\$74,276,655	\$92,846	\$46,423
Lea	64,727	B-Over	\$3,588,903,573	\$4,486,129	\$2,243,065
Lincoln	20,497	B-Over	\$494,365,458	\$617,957	\$308,978
Los Alamos	17,950	H	\$1,313,637,712	\$1,642,047	\$821,024
Luna	20,095	B-Over	\$295,972,681	\$369,966	\$184,983
McKinley	71,492	B-Over	\$1,139,293,780	\$1,424,117	\$712,059
Mora	4,881	B-Under	\$31,193,520	\$38,992	\$19,496
Otero	63,797	B-Over	\$972,351,138	\$1,215,439	\$607,719
Quay	9,041	B-Under	\$133,088,401	\$166,361	\$83,180
Rio Arriba	40,246	B-Over	\$451,988,461	\$564,986	\$282,493

House Bill 259/aHAFC/ec – Page 3

Roosevelt	19,846	B-Over	\$304,916,742	\$381,146	\$190,573
San Juan	130,044	A	\$3,358,225,582	\$4,197,782	\$2,098,891
San Miguel	29,393	B-Over	\$322,905,746	\$403,632	\$201,816
Sandoval	131,561	A	\$1,452,858,871	\$1,816,074	\$908,037
Santa Fe	144,170	A	\$3,717,657,041	\$4,647,071	\$2,323,536
Sierra	11,988	B-Over	\$190,546,464	\$238,183	\$119,092
Socorro	17,866	B-Under	\$190,020,522	\$237,526	\$118,763
Taos	32,937	B-Over	\$756,067,108	\$945,084	\$472,542
Torrance	16,383	B-Over	\$178,847,282	\$223,559	\$111,780
Union	4,549	B-Under	\$101,699,946	\$127,125	\$63,562
Valencia	76,569	B-Over	\$735,281,105	\$919,101	\$459,551
Total	2,054,179		\$46,311,316,132	\$57,889,145	\$28,944,573

* As reported by the New Mexico Department of Finance and Administration through:
http://nmdfa.state.nm.us/County_Classifications.aspx

SIGNIFICANT ISSUES

This bill amends Section 4-62-1 NMSA 1978, to allow counties to issue tax revenue bonds; specifying that revenue from those taxes may be used to purchase emergency communications equipment for certain emergency communications centers.

The Fire Protection fund stands to gain from this measure. Local volunteer and city/county fire districts currently have no means to pay debt service for items financed through public loans, such as radio systems, computer aided dispatch, fire trucks, EMS ambulances and other items used in emergency communications.

TECHNICAL ISSUES

This bill may exclude some of the smaller counties that have similar services available that have not been deemed or do not meet the criteria to be a consolidated public safety answering point.

This bill does not explicitly define “emergency communications equipment.”

IR/jle/sb/al