

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

**SPONSOR** Martinez/Cisneros      **ORIGINAL DATE** 1/31/17  
**LAST UPDATED** 3/09/17      **HB** \_\_\_\_\_

**SHORT TITLE** Reasons for Annexation Between Counties      **SB** 98/aSJC/aHLELC/ec

**ANALYST** Esquibel

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Minimal	Minimal	Minimal	Recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

Office of the Attorney General (OAG)

Secretary of State’s Office (SOS)

### SUMMARY

#### Synopsis of HLELC Amendments

The House Local Government, Elections, Land Grants and Cultural Affairs Committee amendments to Senate Bill 98 as amended by the Senate Judiciary Committee limit County Commissions to holding elections no more than every five years to consider county annexations.

#### Synopsis of SJC Amendment

The Senate Judiciary Committee amendment to Senate Bill 98 changes the timeframe from within 30 days to within 90 days for an election to be called by the Board of County Commissioners within the county of the area proposed to be annexed.

#### Synopsis of Original Bill

Senate Bill 98 (SB98) proposes to amend Section 4-33-1 NMSA 1978 to add an additional reason allowing annexation between counties. In current law, Subsection A allows annexation when government services would be more convenient and economical in the contiguous county in terms of roads and/or transportation facilities. SB98 adds Subsection B, providing an additional reason for which a petition for annexation can be based; if a municipality is located in

two contiguous counties and at least 15% of the population of the municipality resides in each of the adjoining counties, the residents in the county with the lesser percent of the municipality's population may be annexed to the other county. Currently, Sections 4-33-2 and 4-33-3 set forth procedures for filing a petition for annexation, contesting the petition, hearing and determining the correctness of the petition if a contest is filed, and holding an election on the annexation proposal. Section 3 of SB98 proposes technical updates to Section 4-33-1.

### **FISCAL IMPLICATIONS**

The bill does not include an appropriation.

The AOC indicates there will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to additional annexation petitions filed on the basis of new Subsection B which are then contested in court, along with possible appeals. New laws, amendments to existing laws, and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

### **PERFORMANCE IMPLICATIONS**

The AOC notes addition of another basis for an annexation petition between counties establishes a new issue of proof as to whether the petition is well taken, as well as additional grounds for appeal.

RAE/sb/al