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## FISCAL IMPACT REPORT

SPONSOR Youngblood ORIGINAL DATE 1/24/18  
LAST UPDATED \_\_\_\_\_ HB 39  
SHORT TITLE School District Tax Revenue Distribution SB \_\_\_\_\_  
ANALYST Liu

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 41, 48

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public School Facilities Authority (PSFA)

#### No Responses Received From

Public Education Department (PED)

### SUMMARY

#### Synopsis of Bill

House Bill 184 amends the Public School Capital Improvements Act (often referred to as SB9) and Public School Buildings Act (often referred to as HB33), requiring school districts to distribute a proportionate share of property tax revenue collected through SB9 or HB33 to charter schools located within the district, even if a board of county commissioners elects not to distribute the proceeds. The bill also requires PED to certify to each school district the percentage of tax revenue to be distributed to each eligible charter school within the school district. The bill is endorsed by the Public School Capital Outlay Oversight Task Force.

### FISCAL IMPLICATIONS

The bill will ensure charter schools collect a proportionate share of tax revenues generated from SB9 and HB33 funds, based on student membership. In 2017, PED noted these funds were a major revenue source for charter schools to use in lease purchase arrangements for public buildings. The bill does not create additional tax revenue nor make an appropriation.

**SIGNIFICANT ISSUES**

According to a 2017 PED analysis, amendments to SB9 and HB33 in 2007 and 2009 required school districts to include locally-chartered and state-chartered charter schools on the resolution submitted to the qualified electors whenever these tax impositions were renewed. The amendments also required PED to annually certify to local county treasurers the percentage of revenue distributed to each charter school based on membership of the first reporting date from the prior year. The county treasurer then distributes the funds to the charter school.

These amendments have been in place for over 10 years; however, PED noted in 2017 that certain charter schools did not receive their proportionate share of the property tax revenues. According to PED, certain oil and gas tax revenues generated from SB9 and HB33 are not always distributed by the local county treasurers. These revenues are collected by the state and distributed directly to the school districts. Current statute does not take into account these situations where the county treasurers do not collect and distribute certain tax collections. The bill requires school districts to distribute the proportionate share of distributions received from the Department of Finance and Administration to charter schools if a board of county commissioners elects not to distribute the proceeds of a tax due to a school district in the county. This would apply to situations where the state makes distributions to school districts rather than the local county treasurers. This would ensure charter schools receive a proportionate share of property tax revenues from school districts if a local tax is imposed.

**ADMINISTRATIVE IMPLICATIONS**

PED will need to notify school districts about the percentage of property tax revenue from SB9 and HB33 funds that should be distributed to qualifying charter schools.

**RELATIONSHIP**

This bill relates to House Bill 41, which transfers ownership of charter school facilities under certain circumstances, and House Bill 48, which requires PED to use prior year student membership data when determining SB9 distributions.

SL/al