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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/18
 SPONSOR Leavell LAST UPDATED 2/05/18 HB _____
 SHORT TITLE Soil & Water Conservation District Levies SB 169
 ANALYST Iglesias/Graeser

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20	FY21	FY22		
No fiscal impact					N/A	General Fund
	>0	>0	>0	>0	Recurring	Electing SWCDs

Parenthesis () indicate revenue decreases

Duplicates HB227

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

Responses Not Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Bill 169 is related to special property tax districts; expands the term and increases the amount of a potential levy assessed by a soil and water conservation district (SWCD). This bill amends Section 73-20-46 NMSA 1978 to increase the amount a SWCD may levy from one dollar (\$1.00) to five dollars (\$5.00) per thousand dollars (\$1,000) of net taxable value. Further, this bill eliminates the sunset clause that limits the levy to ten years and strikes additional language related to the sunset clause. The new rate is not subject to the yield control statute. The effective date of this bill is July 1, 2018.

FISCAL IMPLICATIONS

This bill has no fiscal impact to the general fund. There would be increased revenues to soil and water conservation districts if members of the district chose the levy. See table below for SWCDs that currently levy an operating tax. For comparison, the rates levied by watershed

districts and conservancy districts are also shown.

SIGNIFICANT ISSUES

The New Mexico Department of Agriculture (NMDA) states this bill brings the soil and water conservation district levy in line with other levies assessed by similar districts, such as Watershed Districts (Section 73-20-17 NMSA 1978) and Conservancy Districts (Section 73-16-2 NMSA 1978).

All of the current SWCD levies appear to have been imposed at \$.25, \$.50 or \$1 per \$1,000 of assessed value. Declaring these levies subject to yield control (Section 7-37-7.1 NMSA 1978) was amended out of the statute in 2009. Since this restriction has not been explicitly reinstated for the new levies, LFC staff are of the opinion that yield control reductions will not be required.

From the compiler’s notes, “the 2009 amendment to 73-20-46 NMS 1978, effective June 19, 2009, in Subsection A, after "not exceeding one dollar (\$1.00)", deleted "or any lower maximum amount required by operation of the rate limitation provisions of Section 7-37-7.1 NMSA 1978.”

DFA describes yield control as follows:

Section 7-37-7.1 NMSA 1978 (“Additional limitations on property tax rates”) is commonly referred to as the “yield control statute” because it limits revenue yields that result when property values are increased due to reassessment. ... It is applied separately to residential and non-residential properties.

SWCD/Watershed/ Conservancy	Res Rate:	Non-Res Rate	Debt	Watershed	Conservancy	Counties
Arch Hurley Conservancy District:						Quay
Assessment/Acre Class "A" Property					14	
Class B mills					5.432	
Artesia Eagle Draw:				0.136		Eddy
Caballo SWCD	1.000	1.000				Dona Ana, Luna, Sierra
Carlsbad SWCD Debt			0.700			Eddy,Otero
Carrizozo Soil & Water Cons. District	1.000	1.000				Socorro, Lincoln, Torrance
Central Valley SWCD	0.500	0.500				Chaves, Eddy
Chaves SWCD	1.000	1.000				Lincoln
Claunch-Pinto SWCD	1.000	1.000				Lincoln, Socorro, Torrance
Cuba SWCD	1.000	1.000				Rio Arriba, Sandoval
East Rio Arriba SWCD	1.000	1.000				Rio Arriba
East Torrance SWCD	1.000	1.000				Torrance
Edgewood SWCD	1.000	1.000				Bernalillo, Santa Fe, Torrance
El Valle De Los Ranchos WSD:				4.997		Taos
Guadalupe SWCD	1.000	1.000				Guadalupe, San Miguel
Hackberry Draw Watershed:				0.843		Eddy
Hagerman/Dexter SWCD	1.000	1.000				Chaves
Hammond Cons. District:	Rate \$20.00/Acre sufficient to provide \$78,666 from Class A and B prop.					San Juan
Lava SWCD	1.000	1.000				Cibola

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McLead Watershed Dist:				5.000		Dona Ana
Mesa SWCD	1.000	1.000				Harding, San Miguel
Middle Rio Grande Cnsrv. Dist.					Res: 4.598; Non-Res: 5.745	Bernalillo, Sandoval, Socorro
Mora/Wagon Mound SWCD	1.000	1.000				Mora
N Ranchos de Placitas WS				1.000		Sandoval
Penasco SWCD	1.000	1.000				Chaves, Eddy, Otero
Sierra Soil & Water Cons. District	1.000	1.000				Catron, Sierra, Socorro
Socorro Soil & Water Cons. District	1.000	1.000				Socorro
Taos SWCD:	1.000	1.000				Taos
Tierra y Montes SWCD	1.000	1.000				San Miguel
Timberon WSD:				9.884		Otero
Underwood Watershed				Res: 4.663; Non-res: 5		Sierra
Upper Chama SWCD	1.000	1.000				Rio Arriba
Upper Gila Watershed Dist:				5.000		Grant
Upper Hondo SWCD	0.500	0.500				Chaves, Lincoln
Upper Rio Grande Watershed				1.000		Rio Arriba
Ute Creek SCWD	1.000	1.000				Harding, San Miguel, Union
Valencia SWCD	0.250	0.250				Socorro, Valencia
Western Mora SWCD	1.000	1.000				Mora

24 SWCDs
 9 Watershed Districts
 3 Conservancy Districts

LG/sb/jle