

SB 222—MIDDLE RIO GRANDE CONSERVANCY DISTRICT TAXPAYER FAIRNESS ACT (SEN. DEDE FELDMAN)

BILL SUMMARY:

SB 222 is a taxpayer fairness measure to ensure that tens of thousands of taxpayers who reside in the Valley area of Bernalillo County will actually get services and benefits from the property taxes they pay to Middle Rio Grande Conservancy District (MRGCD). SB 222 dedicates a portion of MRGCD property tax revenues collected in Bernalillo County to a formal trails program on the MRGCD ditches and drains within Bernalillo County. SB 222's effect is confined to Bernalillo County. SB 222 will not increase taxes and will have no fiscal impact on the State of New Mexico.

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SB 222 will:

- **Increase accountability** from an agency that collects over \$7.5 million in property taxes from Bernalillo County taxpayers each year;
- **Bring fairness** by guaranteeing that thousands of taxpayers who reside in the Valley area of Bernalillo County will get actual services and benefits from the taxes they pay to MRGCD;
- **Expand recreation** and public enjoyment of a rustic trail system along the Valley's ditches and drains;
- **Increase property values** in neighborhoods with easy access to the trail system;
- **Build community** infrastructure that supports healthy activities;
- **Improve Rio Grande Valley State Park**, which was established by the Legislature in 1983;
- **Promote tourism and economic development** by attracting visitors and businesses that are drawn to communities with quality-of-life amenities, such as open space, recreation, and trail systems.



BACKGROUND/EXPLANATION:

Bernalillo County Taxpayers Foot the Bill for MRGCD. Most of the revenue collected by MRGCD comes from property taxes levied on land within the District's boundaries, which include portions of Bernalillo, Sandoval, Valencia and Socorro counties. The overwhelming amount of this property tax revenue (68 percent) comes from Bernalillo County taxpayers. This year, Bernalillo County taxpayers will pay \$7.7 million in property taxes to MRGCD, while residents in the other three other counties put together will pay a total of \$3.3 million.

Bernalillo County Taxpayers That Do Not Irrigate Pay the Freight, But Get Less Service from MRGCD. Only a small fraction of Bernalillo County taxpayers within MRGCD actually irrigate their property and therefore actually get limited benefits from what MRGCD considers its primary purpose. Of the 42,080 land parcels and 33,328 total acres, only 1,457 parcels comprising 5,652 acres are irrigated. Bernalillo County property owners who irrigate pay only \$234,204 of the \$7.7 million that go to MRGCD from Bernalillo County.

MRGCD Slams the Gate on Bernalillo County Taxpayers, Ignores Public Opinion. Despite the fact that MRGCD lands are a public asset—not private property—MRGCD does not formally recognize or promote recreation on its lands and use of its extensive network of ditches and drains. From a network of hundreds of miles of ditches and drains, MRGCD formally permits and supports recreation only on the 16-mile Paseo del Rio paved trail and on a few short trails at the Rio Grande Nature Center. Despite the fact that the District has also enjoyed huge cash balances in recent years (over \$20 million at times), MRGCD has been unwilling to commit a proportional amount of its revenue to enhancing trails and recreation benefits for urban valley dwellers—many of whom are required to pay taxes to MRGCD but do not irrigate with MRGCD surface water.



In fact, most MRGCD ditches are conspicuously posted with “No Trespassing” signs. There are great opportunities for better trail maintenance, signage, maps, etc., but MRGCD has shown little willingness work with neighborhoods proactively -- instead shifting the cost to them for gates, or other recreation-related improvements. A professional survey of its own rate payers commissioned by MRGCD in 2007 showed resounding support for a recreational trail system along the ditches in Bernalillo County. In fact, **83 percent of respondents to the MRGCD survey said that they supported dedicating a share of their MRGCD taxes to recreational trails.** Despite this fact, in July 2008, MRGCD abruptly cancelled its involvement in a neighborhood trails pilot project that had been underway for over three years.

A Reasonable, Responsible Approach to Tax Fairness and Appropriate Public Services. SB 222 would assign a small portion of the property tax assessments paid by MRGCD ratepayers in Bernalillo County (one-half mil) to a trails program on the MRGCD ditches in Bernalillo County. This portion of MRGCD taxes paid by Bernalillo County residents would be used only on a trail and recreation program within the County.

These funds (approximately \$900,000 per year at current rates) would be allocated to an “operating entity” — the City of Albuquerque’s Open Space Division, which has done a good job managing trails in the bosque and throughout the metro area. The City and MRGCD would sign a Joint Powers Agreement to collaborate on the trails program, and would jointly develop a trails management plan with the participation of citizens, neighborhood organizations, Bernalillo County, AMAFCA, New Mexico State Parks, and the Village of Los Ranchos.

This cooperative approach based on a Joint Powers Agreement relies on existing statutory precedent; it is modeled on what the New Mexico Legislature did in 1982, when it established Rio Grande Valley State Park (which included MRGCD lands) and required MRGCD and the City to enter into a JPA for management of the park.