

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 02/08/09

SPONSOR Taylor LAST UPDATED \_\_\_\_\_ HB 194

SHORT TITLE Appropriations to Public Building Repair Fund SB \_\_\_\_\_

ANALYST Kehoe

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
NFI	Unknown	Nonrecurring	Public Buildings Repair Fund (See Fiscal Impact Narrative)

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act  
Relates to Appropriation in the General Appropriation Act

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	Unknown	Unknown	Non-Recurring	Public Buildings Repair Fund (See Fiscal Impact Narrative)

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

General Services Department, Property Control Division (PCD)

### SUMMARY

#### Synopsis of Bill

House Bill 194 adds a new section to the Property Control Act to allow allocating two percent of

the appropriations made for construction or major renovation for any state building under the jurisdiction of the Property Control Division to the public building repair fund. The effective date of the bill is January 1, 2010.

### **FISCAL IMPLICATIONS**

The fiscal impact of the two percent allocation of all capital funding for construction and major renovations for public buildings under the jurisdiction of PCD is undetermined at this time. However, excluding office revenue bonds authorized for projects under the jurisdiction of PCD, over \$200 million has been appropriated to PCD between 2002 and 2008 for construction or renovation projects. Had this bill been enacted in 2002, the appropriations to the public building repair fund would have yielded approximately \$4 million. Caution should be taken so as not to reduce the available funds for the cost of the project.

The proposed two percent of the total amount appropriated to the public building repair fund each year, depending on the funds available for capital projects each year would be a non-recurring expense to the general fund, severance tax bond capacity, or any other funding source allowed for capital funding. Any unexpended or unencumbered balance remaining at the end of each fiscal year shall not revert to severance tax bond capacity or the general fund.

### **SIGNIFICANT ISSUES**

According to PCD, House Bill 194 will establish a recurring revenue stream to fund public building repairs for buildings under the jurisdiction of PCD. The division indicates the estimated deferred maintenance liability and life-cycle replacement currently requires approximately \$520 million, as determined by an independent assessment.

LMK/svb