

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 1/30/09

SPONSOR Lovejoy LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE McKinley and Sandoval Power Line Extension SB 338

ANALYST Burns

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
\$2,000.0		Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 338 appropriates two million dollars (\$2,000,000) from the general fund to the Indian Affairs Department for the purpose of extending power lines in the checkerboard area of McKinley and Sandoval counties to serve indigents without power.

### FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

### SIGNIFICANT ISSUES

In the “checkerboard” area of the Navajo Nation, many of the local Navajo chapter houses have continued to identify power line extensions as a prioritized need in their Infrastructure Capital

Improvement Plans (“ICIP”).<sup>1</sup> These priorities are based on factors such as enhancement of the quality of life, community health and safety needs, and the age, condition and adequacy of current infrastructure. In many of these areas, local ICIP plans have placed power line extensions as a primary need. SB 338 would address these needs in a region that spans two counties within the state, McKinley and Sandoval.

### **TECHNICAL ISSUES**

The appropriation calls for an appropriation to be expended in fiscal years 2009 to 2013. With no emergency clause contained in the bill the funds would not be available for expenditure until fiscal 2010.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The consequences of not enacting this bill would be that many indigent residents in the checkerboard areas of McKinley and Sandoval Counties would likely remain without electrical power.

KJB/mc

---

<sup>1</sup> “Minutes of the Fourth Meeting of the Indian Affairs Committee, September 8-10, 2008,” Indian Affairs Committee 2008 Interim Report, New Mexico State Legislature, Legislative Council Service.