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## FISCAL IMPACT REPORT

SPONSOR: Taylor, J. G.      DATE TYPED: 03/16/03    HB 834/aSFC

SHORT TITLE: NMFA Public Project Revolving Fund Loans    SB \_\_\_\_\_

ANALYST: Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
NFI	See Narrative				

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 292

### SOURCES OF INFORMATION

New Mexico Finance Authority (NMFA)  
LFC Files

### SUMMARY

#### Synopsis of SFC Amendment

Senate Finance Committee Amendments to HB 834 are as follows: Items 1 through 10 are expanding the scope of certain projects; Items 11 through 13 are technical corrections; and Item 14 authorizes NMFA to make loans for an additional 49 infrastructure projects totaling approximately \$200 million from the Public Project Revolving Loan Fund (PPRF).

#### Synopsis of Original Bill

House Bill 834 authorizes the New Mexico Finance Authority (NMFA) to provide loans to eligible entities for statewide infrastructure projects from the Public Project Revolving Fund (PPRF); requires eligible entities to certify to NMFA by the end of fiscal year 2006 if they are going to pursue a loan from the PPRF otherwise the authorization will be void; the bill contains an emergency clause.

Significant Issues

Section 1, describes the 224 projects and identifies the state and local entities requiring legislative authority to make loans from the PPRF. The approximate value of all the projects contained in House Bill 834 totals approximately \$300 million in needs statewide. Loans from the PPRF benefit eligible entities by allowing them to borrow for infrastructure projects at below market costs, based on terms and conditions established by NMFA. The authorization provided in House Bill 834 does not guarantee that those projects will receive an NMFA loan. Loans will be made to entities that can identify a sufficient revenue source for repayment of a loan, and are able to meet other financial criteria established by the Authority.

Section 2, voids legislative authorization if a qualified entity does not notify the Authority by the end of fiscal year 2006 of its desire to continue to pursue a loan from NMFA.

Section 3, contains an emergency clause.

**FISCAL IMPLICATIONS**

House Bill 834 does not appropriate funds. However, loans made in the interim as a result of passage of the bill would result in reducing the loan capacity of the Public Project Revolving Loan Fund. The PPRF capacity for direct cash loans as of December 2002 was approximately \$14.9 million. The total value of projects contained in House Bill 834 is approximately \$500 million.

LMK/njw:sb