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FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 03/17/03 HB _____
 SHORT TITLE: NMFA Loans for Public Projects SB 292/aSCONC/aSFC/aHFI #1
 ANALYST: Kehoe

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of House Floor Amendments

House Floor Amendment #1 to SB 292a/SCONC/aSFC requests legislative authority to allow NMFA to make loans from PPRF to four additional eligible entities, specifically, to Fort Sumner in DeBaca County, Conservancy Fire District #2 in Quay County; the Jordan Fire Department; and the Taos Ski Valley in Taos County. The amendment does not indicate the municipality or county location of the Jordan Fire Department.

Synopsis of SFC Amendment

Senate Finance Committee amendments to SB 292a/SCONC strike SCONC Item 7 that would have expanded the scope of a Santa Fe County project to include equipment. The amendments also request legislative authority to allow NMFA to make loans from PPRF to two additional eligible entities, specifically, to the City of Alamogordo for a water project and to the Northwest New Mexico Solid Waste Authority for an equipment acquisition project.

Synopsis of SCONC Amendment

Senate Conservation Committee amendments to SB 292, Items 1 through 12, clarify the description and purpose of the projects; Item 13 requests legislative authority to allow NMFA to make loans from PPRF to an additional 43 eligible entities. The value of the additional projects is approximately \$275 million.

Synopsis of Original Bill

Senate Bill 292 authorizes the New Mexico Finance Authority (NMFA) to make loans for state-wide infrastructure projects from the Public Project Revolving Fund (PPRF), and requires eligible entities to certify to the Authority by the end of fiscal year 2006 if they are going to pursue a loan from the PPRF.

Significant Issues

Section 1, Items 1 through 224, describes the 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 Senate Bill 292 totals approximately \$500 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 Senate Bill 292 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

Senate Bill 292 does not appropriate funds. However, loans made in interim as a result of passage of Senate Bill 292 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 Senate Bill 292 total approximately \$775 million.

CONFLICT, DUPLICATION, COMPANIONSHIP OR RELATIONSHIP

Senate Bill 292 relates to Senate Bill 294. Senate Bill 294 provides legislative authority to NMFA to make grants for public projects from the Water and Wastewater Project Grant Fund. If entities do not meet eligibility requirements established by NMFA to qualify for a grant, the entity may be eligible to apply for a loan from PPRF as provided in Senate Bill 292.

LMK/yr/njw