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FISCAL IMPACT REPORT

DATE

SPONSOR Larranaga TYPED 01/29/04 HB HR 2

SHORT TITLE Capital Outlay Fund Expenditure Guidelines SB _____

ANALYST Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HR1

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Resolution 2 expresses the intent of the House of Representatives to authorize the expenditure of funds for capital outlay projects important to the health, safety and well-being of New Mexicans and that equitably serve all its citizens. The Resolution further proposes guidelines be adopted in considering the appropriation of state funds for capital outlay projects in 2004.

Significant Issues

The guidelines proposed in House Resolution 2 include the following:

1. Funding for capital outlay projects should be distributed equally to all regions of the state to ensure that all New Mexico residents share in the economic, health, safety, educational and social benefits of improved infrastructure;

House Resolution 2 -- Page 2

2. Capital outlay projects that are important to public health, safety, education and transportation should continue to be funded before other projects are funded;
3. Projects that are prepared to draw funding by January 2005 should be authorized to receive funding before other projects;
4. A majority of the funds available for capital outlay projects should continue to be allocated to projects having statewide significance;
5. A portion of funds available for capital outlay projects should be allocated to renovating and repairing existing infrastructure rather than initiating new projects;
6. Projects that have support from other governmental units, as evidenced by matching funding, prudent and reasonable commitments for operation, projected use studies, prior review by policymaking bodies or similar evidence, should have priority for funding over other projects;
7. Projects financed with the proceeds from the sale of bonds should have a projected useful life equal to or longer than the life of the bond;
8. Projects that will require funding for multiple phases should be funded only with the understanding that the legislature and its financing partners will be asked to fund the subsequent phases of the project;
9. Projects for which reauthorization is sought should be subject to the same guidelines as all other projects; and
10. Projects should not be authorized if doing so would violate Article 9, Section 14 of the Constitution of New Mexico.

RELATIONSHIP

House Resolution 1 proposes that capital outlay funds be distributed equally among members of the House of Representatives.

LMK/lg