

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 1-22-07

SPONSOR Lundstrum LAST UPDATED 1-30-07 HB 157/aHENRC

SHORT TITLE Making an Appropriation at Red Rock State Park SB _____

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	5,000.0	Non-recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB112

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of HENRC Amendment

House Energy and Natural Resources Committee amendment to HB157 amends the legislation to reflect the following language:

1. On page 1, line 18, strike "year 2008" and insert in lieu thereof "years 2008 through 2011".
2. On page 1, line 20, after "1990" insert "and for such other capital replacement and improvement needs as may be necessary".
3. On page 1, line 21, strike "2008" and insert in lieu thereof "2011".

The amendment adds no appropriation language to the bill.

Synopsis of Original Bill

House Bill 157 – Making an Appropriation at Red Rock State Park – appropriates \$5 million from the general fund to the Energy, Minerals and Natural Resources Department for improvements to Red Rock State Park and to bring it into compliance with the federal Americans with Disabilities Act of 1990. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

The State Parks Division (SPD) expects to assume ownership and of Red Rock Park in Gallup and re-establish the site as a state park in FY08. Red Rock State Park (RRSP) will entail substantial responsibilities and costs. These costs will be both for recurring park operational funds and for capital infrastructure funds.

The City of Gallup’s most recent 5-year capital improvement plan, combined with assessments conducted by SPD staff, suggest that the immediate capital improvement needs at Red Rock are at least \$5,000.0 and probably closer to \$10,000.0. Significant funds are needed to comply with the ADA, maintain and replace critical infrastructure systems, and maintain/improve the facility so that it can continue to attract and support major events and all of the park’s diverse uses.

SPD suggests that the appropriation in the bill would therefore address a significant portion of the currently identified capital infrastructure needs, including the most pressing needs. The U.S. Department of Justice has inspected Red Rock with respect to ADA compliance and has directed significant improvements to be made. Compliance will require, for example, reconstruction of restrooms/comfort stations and perhaps a portion of the rodeo arena. ADA compliance required by federal law is at the top of the list of the site’s capital needs, but many require less than the \$5,000.0 contemplated in the bill; the detailed planning, design, cost estimates, and project bidding have not yet occurred. It is clear, however, that the ADA compliance costs will be in the millions and that Red Rock can easily absorb \$5,000.0 in capital improvements.

The proposed appropriation is for one year. SPD indicates that typical major capital improvement projects take a minimum of two years to perform from conception through planning/design, state contracting, and construction. In this case, \$5,000.0 worth of improvements at RRSP would most likely be broken into several capital projects, each of which will probably require at least a year or more to complete.

PERFORMANCE IMPLICATIONS

SPD notes that if the appropriation remains a one-year appropriation, it is highly likely that the funds would have to be reappropriated due to the timeframe associated with scoping the project, developing the design, bidding, contracting, then performance of the work. In addition, as drafted, the bill would not permit SPD to expend these funds on other important capital projects at Red Rock if there was an emergency or other critical infrastructure need arose, or if ADA compliance was achieved and a fund balance for the appropriation remained.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates SB112

BW/mt:csd