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FISCAL IMPACT REPORT

ORIGINAL DATE 3/7/2007

SPONSOR HTPWC LAST UPDATED _____ HB 1346/HTPWCS
Public Peace, Health, Safety & Welfare

SHORT TITLE (Transportation Commission Lease Proceeds) SB _____

ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 NM Department of Transportation

SUMMARY

Synopsis of Bill

House Transportation and Public Works Committee Substitute for House Bill 11346 provides for disposition of lease proceeds by the State Transportation Commission and authorizes the deposit of lease proceeds into a fund or account to secure bonds or make bond payments.

FISCAL IMPLICATIONS

Under this Bill the NMDOT may incur debt that will be secured by the lease payments received.

SIGNIFICANT ISSUES

This bill amends NMSA 1978, Section 67-3-12, Subsection G.1.(b) to allow the New Mexico Department of Transportation (NMDOT), at its discretion, to finance the development of its facilities, such as its General Office Complex in Santa Fe, by applying lease payments from leased NMDOT property to pay or secure bonds for such development. This will allow NMDOT to use the lease payments from the developer "...to secure bonds issued for the development of land or facilities that will be financed wholly or in part by the issuance by the state, the

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commission or any other agency, instrumentality or political subdivision of the state of bonds payable from or secured in whole or part by such payments...”

The NMDOT indicates that “The proposed amendment should not impair the NMDOT’s bonding capacity or the ability to use state and federal revenues for its projects. The risk of non-payment default by the developer would normally be covered by credit enhancement procured by the underwriters.” The amendment only applies to projects procured after July 1, 2007.

GM/csd