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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/13/07

SPONSOR Altamirano LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Gila Cancer Treatment Center Revenue Bonds SB 640

ANALYST Kehoe

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI	N/A	(See Fiscal Impact Narrative)

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Finance Authority (NMFA)

### SUMMARY

Senate Bill 640 increases from \$2.5 million to \$3 million the amount of revenue bonds the New Mexico Finance authority is authorized to issue for the Gila Regional Center for the purpose of designing, constructing, equipping and furnishing additions and improvements to the center located in Grant County.

### FISCAL IMPLICATIONS

The revenue bonds authorized in Senate Bill 640 are payable from a 1% distribution of the net receipts, exclusive of penalties and interest, of the cigarette tax to the New Mexico Finance Authority for the purpose of issuing the bonds. The cigarette tax revenue collection is approximately \$60 million annually, of which 55 percent is transferred to the general fund. The Authority issued the first \$2.5 million of bonds for the Gila Regional Medical Center in July 2006. According to an analysis by the New Mexico Finance Authority, based on current market conditions, the 1% distribution of cigarette tax to the Authority of approximately \$600 thousand annually is sufficient capacity for the issuance of the additional \$500 thousand in revenue bonds proposed in this bill.

The NMFA, upon a certification of need by the chair of the Board of County Commissioners of

Grant County, may issue and sell the revenue bonds in an amount not to exceed \$500 thousand for a term of no more than 20 years for the purpose of designing, constructing, equipping and furnishing additions and improvements to the Regional Cancer Treatment Center at the Gila Regional Medical Center in Grant County. The bond proceeds are to be appropriated to the Local Government Division of the Department of Finance and Administration for the infrastructure described in this bill.

**SIGNIFICANT ISSUES**

Laws 2006, Chapter 89 created a rural county cancer treatment fund within NMFA comprised of appropriations, donations, distributions of the cigarette tax, and money earned from investment of the fund and otherwise accruing to the fund. The money in the fund provides NMFA with a revenue stream to finance the construction of cancer treatment facilities in Class B counties. Balances in the fund at the end of a fiscal year shall not revert.

LMK/mt