

**NMDOT BILL ANALYSIS
2024 REGULAR SESSION**

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute, or a correction of a previous bill}

Check all that apply:

Original X Amendment _____
Correction Substitute _____

Date January 26, 2024

Bill No. HB 177

Sponsor: Meredith A Dixon,
Gail Armstrong, Pat Woods,
Pete Campos

Agency/ Code:

NMDOT - 805 – Revenue & Planning

David Quintana, Rhonda Lopez,
Denise Peralta, Ken Swain,

Person Writing Analysis: Greg Cole

Short Title NM Match Fund

Phone: (505) 660-1024 Email: greg.cole@dot.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
100,000	100,000	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

New recurring appropriation from the General Fund to the “New Mexico match fund” (non-reverting).

Duplicates/Conflicts with/Companion to/Relates to: N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 177 (HB 177) creates a new fund titled the “New Mexico match fund” (NMMF) and makes a nonrecurring \$100 million appropriation to the newly created fund for expenditures in FY25 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year would not be subject to reversion. HB 177 is an emergency bill and would be effective immediately.

The Department of Finance and Administration (DFA) shall administer the NMMF and use the

money in the NMMF to make grants to eligible entities for state matching funds for federal grants and to offset higher project costs incurred to comply with federal requirements. Defined eligible entities include departments of the State.

DFA shall also report annually to the legislative finance committee no later than October 1 of each year on grants made from the NMMF.

FISCAL IMPLICATIONS

HB 177 creates a recurring appropriation from the General Fund to the NMMF in the amount of \$100 million per fiscal year starting in FY25.

HB 177 provides a new source of potential funding for NMDOT. NMDOT would be defined as an eligible entity that could request grants from DFA for state matching dollars and to offset documented higher project costs due to federal requirements. Any fiscal impact would be speculative at this time, as any request for state match dollars would be subject to DFA's administration of the NMMF.

SIGNIFICANT ISSUES

None at this time.

PERFORMANCE IMPLICATIONS

Increased potential match funding would facilitate NMDOT increasing the number of federal grant requests, if DFA awards funds for NMDOT's state match or to offset documented higher project costs due to federal requirements. The potential of increased federal grant funding would also facilitate NMDOT addressing safety issues, thus increasing the safety of all users of NMDOT facilities, and helping to eliminate crashes that result in fatalities and serious injuries. NMDOT would also be able to address federal performance measures regarding system reliability and resiliency, as well as freight movement and economic vitality.

ADMINISTRATIVE IMPLICATIONS

HB 177 provides a new source of potential funding for NMDOT. NMDOT would need to create a system or process for working with DFA to request grants from the NMMF for state matching funds and to offset documented higher project costs due to federal requirements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None at this time.

TECHNICAL ISSUES

None at this time.

OTHER SUBSTANTIVE ISSUES

None at this time.

ALTERNATIVES

None at this time.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMDOT will continue to use available funds for state matching dollars for federal grants, and any higher project costs incurred to comply with federal requirements will impact current available NMDOT funds.

AMENDMENTS

None at this time.