

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**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**  **Amendment**   
**Correction**  **Substitute**

**Date** 2/8/24

**Bill No:** SB300

**Sponsor:** George K. Muñoz  
**Short Title:** Public Peace, Health, Safety & Welfare  
Transportation Project Bonds

**Agency Name  
and Code  
Number:** Department of Finance &  
Administration, 341

**Person Writing** Ashley Leach  
**Phone:** 505-629-9745 **Email** Ashley.Leach@dfa.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$205,800.00	\$0.00	Nonrecurring	NMDOT Capital Projects

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Senate Bill 300 authorizes the State Board of Finance to issue up to \$205.8 million in short-term severance tax notes to fund four specific transportation projects and an unidentified number of projects pursuant to the General Appropriations Act, Section 11, of 2024 upon certification by the Department of Transportation (NMDOT) of the need for the proceeds. NMDOT has until 2026 to certify need.

Further, the bill authorizes the New Mexico Finance Authority to issue and sell state transportation bonds for up to \$322 million for five transportation projects.

**FISCAL IMPLICATIONS**

The bill provides \$205.8 million in severance tax short-term note proceeds to fund certain transportation projects. FY24 severance tax note capacity is currently estimated at \$718.2 million. There is \$9.4 million in previous capital project appropriations that will be considered for funding in FY24, and the SBOF is anticipating appropriation of \$283.9 million in FY24 to earmark programs, including Water Trust, Colonias Infrastructure, Tribal Infrastructure, and the New Mexico Housing Trust Fund. Given an issuance of \$6.3 million in December 2023, this would leave an estimated \$418 million in unappropriated capacity. Should the NMDOT certify the need for all \$205.8 million in transportation projects, this would leave approximately \$219.2 million in unappropriated capacity. The amounts available are subject to change as actual severance tax revenues for the second half of FY24 are realized.

It is important to note that if not all \$205.8 million is included in an FY24 severance tax note sale, future capacity available for appropriation could be impacted. Should the NMDOT not certify the need for the total authorized \$205.8 million, or should the SBOF determine that the projects are not sufficiently developed in order for NMDOT to encumber at least 5 percent of the proceeds within the first six months after proceeds are available and/or spend at least 85 percent of the proceeds within three years, then the authorization to fund the projects would roll into FY25. Any amount of the authorization not provided through FY24 issuance would be considered authorized but unissued. This would reduce the severance tax bonding capacity available for appropriation in FY25 and possibly FY26.

**SIGNIFICANT ISSUES**

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**