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FISCAL IMPACT REPORT

SPONSOR:	Silva	DATE TYPED:	02/11/00	HB	430/aHTC
SHORT TITLE:	Fuel Tax Revenue for Highway Projects			SB	
				ANALYST:	Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
\$ 96.0	\$ 54.0	\$ 33.0	Recurring	State Road Fund
\$ 2.0	\$ (1.0)	\$ (1.0)	Recurring	State Aviation Fund
\$ 1.0	\$ 4.0	\$ 0.0	Recurring	Motorboat Fuel Fund
\$ 14.0	\$ 7.0	\$ 7.0	Recurring	Municipalities/County Road Funds
\$ 6.0	\$ 7.0	\$ 3.0	Recurring	Municipal Road Funds
\$ 6.0	\$ 7.0	\$ 3.0	Recurring	County Road Funds
\$ 3.0	\$ 2.0	\$ (3.0)	Recurring	Municipal Arterial Program
\$ 1.0	\$ 2.0	\$ 4.0	Recurring	Local Governments Road Fund
\$ 27,865.0	\$ 55,139.0	\$ 75,995.0	Recurring	Highway Infrastructure Fund
\$ 27,994.0	\$ 55,221.0	\$ 76,040.0	Recurring	TOTAL

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SOURCES OF INFORMATION

Legislative Finance Committee (LFC) files

State Highway and Transportation Department (SHTD)

New Mexico Finance Authority (NMFA)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of HTC Amendment

This amendment corrects a misspecified date in Section 10, the distribution to the Highway Infrastructure Fund. The amendment does not affect the original bill analysis and fiscal impact report.

Synopsis of Bill

The bill would create the highway infrastructure fund and authorizes gasoline tax receipts and special excise fuel tax receipts to be deposited in certain increments over time. Other recipients of fuel tax revenue are held at current levels.

The bill increases the gasoline and special fuel excise tax by \$0.01 per gallon every 6 months beginning in July 2000 through July 2002. The current gasoline tax would increase from \$0.17 to \$0.22 per gallon. The special fuel excise tax would increase from \$0.18 to \$0.23 per gallon.

The petroleum products loading fee would be established at \$150 per load (\$0.1875 per gallon) over a three year period, rather than the current variable rate depending on balances in the corrective action fund. The bill also provides a distribution of \$70 per load from the net receipts of the petroleum products loading fee to be deposited into the highway infrastructure fund.

The revenues of the highway infrastructure fund may be pledged to repay bonds issued by the State Highway Commission and can be used for right-of-way acquisition, planning, design, engineering, construction or improvement of state highway projects previously authorized and for the new projects in specific amounts listed in the bill. Any balance after projects are implemented remains in the fund.

The bill also raises limits on the aggregate principal amount of bonds that may be issued for state highway projects.

Effective date of the bill is July 1, 2000.

Significant Issues

In its original analysis, NMFA notes concerns about potential decreases in municipal and county gasoline tax revenues. The TRD analysis indicates very small changes to local government funding due to the legislation. At least one NMFA loan is pledged in a rated NMFA bond issue.

FISCAL IMPLICATIONS

See the revenue table on page 1 of this analysis, which reflects FY01, FY02 and subsequent years. There is no fiscal impact in FY00.

The attached diagram illustrates the current distribution of FY00 road user revenues.

ADMINISTRATIVE IMPLICATIONS

A significant impact on taxpayers and state government is anticipated by TRD. The proposed changes can be accomplished with existing personnel and budget resources; however, "service levels could be expected to be somewhat degraded at certain periods due to the extra administrative burden."

AW/gm

Attachment