

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Silva DATE TYPED: 03/10/03 HB 102/aHJC/aHAFC

SHORT TITLE: Regional Transit District Act SB _____

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$0.1 See Narrative	Non-Rec	General Fund
			\$0.1 See Narrative	Recurring	Local government Funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB34

SOURCES OF INFORMATION

LFC Files

Response Received

State Highway and Transportation Department (SHTD)

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment to House Bill 102 makes the following changes:

- The \$1.9 million appropriation is deleted by striking Section 20 in its entirety.
- Reference to compensation of directors was removed from Section 4 pertaining to creation of districts.
- A correction is made to page 5, line 23 clarifying those conditions required when adding or deleting parties to the contract are pursuant to Section 17 vs. Section ~~18~~ of the Regional Transit District Act.

- Section 5 (board powers) was amended to remove board authority to institute eminent domain actions.
- Section 16, which granted districts the power of eminent domain, was stricken.
- In Section 5 (board powers) issuance of bonds was added, thus prohibiting board delegation of this function.
- In Section 5, language was added stating that only elected officials shall vote on resolutions regarding ratification of acquisition of land by negotiated sale and issuance of bonds.

Synopsis of HJC Amendment

The House Judiciary Committee amendment to House Bill 102 makes a technical correction to Section 8, pertaining to the issuance of bonds. On page 13, line 14 the amendment strikes “lands” and inserts “bonds”.

On page 17, lines 5 and 6, language is removed that requires regional transit district boards to obtain specific appropriations from the Legislature prior to paying investment management fees.

Synopsis of the Original Bill

House Bill 102 appropriates \$1.9 million to the State Highway and Transportation Department (SHTD) to implement a Regional Transit District Act. The purpose of the Act is to:

- serve the public by providing for the creation of regional networks of safe and efficient public transit services;
- allow multi-jurisdictional public transit systems to reduce the congestion of single-occupant motor vehicle traffic by providing transportation options for residents;
- decrease automobile accidents by reducing traffic congestion on freeways and streets;
- reduce noise and air pollution produced by motor vehicles;
- prolong and extend the life of New Mexico's existing roadways by easing the traffic burden;
- provide residents with a choice of transportation alternatives so that seniors, youth, low-income and mobility-impaired residents and others unable to drive or afford motor vehicles continue to have full access to the goods, services, jobs and activities of the community;
- improve the New Mexico economy by increasing workforce and citizen access to education and higher paying jobs; and
- prolong and extend petroleum resources.

Significant Issues

This bill allows local governments to establish regional transit districts that are authorized to sell bonds and identify and generate local matching funds in support of public transportation. This also provides an opportunity to leverage federal dollars to provide public transportation services.

Districts may exercise the power of eminent domain in the manner provided by law for the condemnation of private property for purposes necessary to carry out the Regional Transit District Act.

Districts may collect fees, tolls, rates or charges. State and local law enforcement authorities may enter into traffic and toll enforcement agreements with districts.

FISCAL IMPLICATIONS

The appropriation of \$1,900.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 2005 shall revert to the general fund.

No more than \$200.0 may be expended in creating one regional transit district. SHTD may use up to \$75.0 of this appropriation to cover costs associated with implementing this Act.

The local government members of a combination district shall match at least one dollar for every four dollars provided by the state. Before districts can receive state matching funds, the commission, pursuant to Section 4 of the Regional Transit District Act, must first certify them.

Districts may issue bonds for the purpose of financing the purchase, construction, renovation, equipping or furnishing of a regional transit system project. Districts shall issue bonds pursuant to resolution of their boards, and the bonds shall be payable solely out of all or a specified portion of the revenues as designated by their boards. Proceeds of the bonds may be used to pay expenses incurred in the preparation, issuance and sale of the lands.

Boards may invest or deposit funds in accordance with the prudent investor rule and may employ investment management services to invest such funds. The Act requires Boards to keep accurate and complete investment records and accounts.

ADMINISTRATIVE IMPLICATIONS

The STHD is charged with administration of the appropriation included in this Act.

TECHNICAL ISSUES

According to the State Highway and Transportation Department (SHTD), while Section 8(C) allows a regional transit district to pay expenses of issuing bonds, it does not specify that those expenses can be paid from bond proceeds (as with STC bonds – see NMSA 1978, Section 67-3-59.1)