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FISCAL IMPACT REPORT

SPONSOR: HAFC DATE TYPED: 03/21/03 HB CS/496/SFI#1

SHORT TITLE: Acquisition and Renovation of State Museums SB _____

ANALYST: Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

Companion to House Appropriations and Finance Committee Substitute for House Bill 594

SOURCES OF INFORMATION

New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of SFI#1 Amendment

Senate Floor Amendment #1 to HAFCS/HB 496 requires that in addition to legislative authorization and certification of need by the Property Control Division of the General Services Department for the acquisition of state office buildings, the State Capitol Buildings Planning Commission must also review the acquisition.

The amendment further requires that in addition to legislative authorization and certification of need by the State Cultural Affairs officer, the State Capitol Buildings Planning Commission shall review the renovation or maintenance of existing structures at museums and monuments.

Synopsis of Original Bill

House Appropriations and Finance Committee Substitute for House Bill 496 renames the State Office Building Acquisition Bonding Act to State Building Bonding Act; renames the State Office Building Bonding Fund to State Building Bonding Fund; defines “building bonds” to include state museum tax revenue bonds; and authorizes the New Mexico Finance Authority (NMFA) to issue and sell “State Museum Tax Revenue Bonds.”

Significant Issues

If enacted, the bill authorizes NMFA, under the State Building Bonding Act, to issue and sell State Museum Tax Revenue Bonds for the purpose of renovating and maintaining existing structures and developing permanent exhibits at state museums and monuments when the renovation, maintenance or exhibit development is authorized by legislative act and the need is certified by the State Cultural Affairs officer.

House Appropriations and Finance Committee Substitute for House Bill 594, the companion bill to this bill, authorizes NMFA to issue and sell State Museum Tax Revenue Bonds in an amount not to exceed \$5,760,000 for the purposes stated in HAFCS/HB496.

Current law (Laws of 2001, Chapter 199) provides a financing source for the purchase of state office buildings by earmarking a distribution of state gross receipts tax of up to \$500,000 per month or \$6 million per year to buy and build state office buildings. NMFA is authorized to sell up to \$75 million in Gross Receipts Tax Revenue Bonds to allow the Property Control Division (PCD) of the General Services Department to acquire certain state buildings and property for use as state office buildings. To date, NMFA has financed the first series of State Office Building Tax Revenue Bonds in the amount of \$34.7 million to purchase the NEA building, construct the West Capitol complex, and acquire land for the State Highway & Transportation Department. Of the first issuance of bonds, projects totaling \$10 million (NEA building acquisition, \$5 million and Jaguar Road acquisition, \$5 million) have been delayed or canceled. Issuance of any portion of the remaining \$40.3 million is unlikely during fiscal year 2003, inasmuch as the PERA board has refused the sale of their building.

COMPANIONSHIP

House Appropriations and Finance Committee Substitute for House Bill 594 authorizes NMFA to issue and sell State Museum Tax Revenue Bonds in an amount not to exceed \$5,760.0 for renovating and maintaining existing structures and developing permanent exhibits at state museums and monuments as certified for need by the officers of OCA.

OTHER SUBSTANTIVE ISSUES

According to PCD, alternative uses for the bond funding, assuming the sale of the NEA building occurs, is to reauthorize \$5 million for the veteran's memorial/underground parking garage planned for the corner of West DeVargas and Galisteo in Santa Fe. Results of geological testing on the feasibility of using the site for a garage are expected in February 2003. Possible other uses for the second issuance of bonds, if purchase of the PERA building cannot be negotiated, could be the construction of the new scientific/crime lab or acquisition of a new office complex for use by the Human Services and Regulation and Licensing Departments.

LMK/lis