

and to Equipment (\$500 thousand). These amounts are further allocated among the six DOT districts in the state. Priority projects are then selected within each district from the individual applications received from local governments. The project applications from local governments exceed the available money, so the bill would enable additional local road projects to be undertaken.

The Highway Infrastructure Fund (HIF) was created in 1999 to be used for highway projects authorized by Laws 1998, Chapter 84 and certain projects authorized by Laws 1998, Chapter 85 -- the Citizens Highway Advisory Taskforce (CHAT) projects. The current revenue flow into the fund is pledged toward highway debentures issued in May 2002.

FISCAL IMPLICATIONS

TRD notes the following assumptions:

The fiscal impact is based on the current New Mexico Department of Transportation (NMDOT) forecast of LVGRT collections. In the absence of this legislation LVGRT revenue is expected to total \$6.5 million fiscal year 2005. Increasing the rate to 7% will boost total collections to about \$9.1 million.

Seventy-five percent (75%) of the net receipts attributable the LVGRT is distributed to the highway infrastructure fund. The remaining twenty-five percent (25%) is distributed to the local government road fund.

SN/dm