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FISCAL IMPACT REPORT

ORIGINAL DATE 02/18/14

SPONSOR Maestas LAST UPDATED _____ HB HM 90

SHORT TITLE Aviation & Airport Business Impact Study SB _____

ANALYST Cerny

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		TBD				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Division (EDD)

SUMMARY

Synopsis of Bill

House Memorial 90 Recognizes the importance of general aviation and small-town airports to economic growth and requests a business impact study.

The memorial states that NM Department of Transportation's (NMDOT) Aviation Division estimates that New Mexico's airports have a backlog of over \$700 million in capital improvement or renovation needs and that the annual budget available to address the infrastructure needs at New Mexico's airports is approximately \$26 million.

HM 90 requests the NMDOT's Aviation Division include an evaluation of how the business climate for New Mexico is affected overall by the condition of and services provided by New Mexico's airports and the division, along with Economic Development Department (EDD) and the Tourism Department (TD) jointly review the facilities and services provided by New Mexico's airports and provide a report by October 1, 2014 to the appropriate interim legislative committee.

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The report is to include recommendations regarding needed investments in New Mexico's airports that would have the greatest impact on improving the business and tourism environment in New Mexico.

Copies of HM 90 are to be transmitted to the director of the Aviation Division of NMDOT, the secretary of EDD, the secretary of TD and co-chairs of the New Mexico legislative council.

FISCAL IMPLICATIONS

HM 90 carries no appropriation.

SIGNIFICANT ISSUES

DOT's Aviation Division does an update of the state's aviation plan every five years. Past updates have not addressed how the business or tourism sectors are affected by the conditions of New Mexico's airports and the facilities and amenities that these airports may need.

PERFORMANCE IMPLICATIONS

HM 90 asks that business climate evaluation be part of the NMDOT Aviation Division 5 year system plan, without giving clear guidance as to how this should be included and how the effects should be measured.

ADMINISTRATIVE IMPLICATIONS

Adding two significant components (tourism and job creation) to the study will require the previous five year models to be significantly modified. According to analysis from EDD, this could cause delays in completing the study by the stated deadline.

CAC/jl