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FISCAL IMPACT REPORT

SPONSOR Pope/Garratt **ORIGINAL DATE** 02/09/21
LAST UPDATED 03/04/21 **HB** _____
SHORT TITLE Paseo Del Norte STB'S **SB** 280/aSTBTC
ANALYST Olson/Kehoe

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$8,500.0	Nonrecurring	Senior Severance Tax Bond Capacity

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 285

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Transportation (DOT)

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of STBTC Amendment

The Senate Tax, Business and Transportation Committee amendment to Senate Bill 280 clarifies the proposed widening of the Paseo del Norte in Bernalillo County is a “four” lane rather than a “two” lane roadway.

Synopsis of Original Bill

Senate Bill 280 authorizes the issuance of \$8.5 million from severance tax bonds to plan, design, construct, and complete the widening of a two-lane roadway at Paseo del Norte in Bernalillo County.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The authorization of \$8.5 million contained in this bill is a nonrecurring expense to severance tax bond capacity. Any unexpended or unencumbered balance remaining at the end of fiscal year 2025 shall revert to the severance tax bonding fund.

The proceeds of the authorization in this bill are directed to the Local Government Division of the Department of Finance and Administration. However, the bill specifies the DOT must certify to the State Board of Finance the need for the issuance of the bonds. If the DOT has not certified the need for the issuance of the bonds by the end of fiscal year 2022, the funding authorization shall be void.

SIGNIFICANT ISSUES

According to the Department of Transportation (DOT), the section of Paseo Del Norte, West of Golf Course Road is located within the jurisdiction and fiscal responsibility of the City of Albuquerque. A Memorandum of Agreement between the DOT and the City of Albuquerque stipulates that when construction of the Paseo Del Norte from Golf Course Road to Unser Boulevard is complete and acceptable to DOT standards, the ownership and responsibility may transfer to DOT. Upon completion of the transfer, DOT plans to add approximately 1.5 miles of a “four-lane” facility to its maintenance costs.

ADMINISTRATIVE IMPLICATIONS

The bill appropriates the proceeds of the bond sale to the Local Government Division of the Department of Finance and Administration. If the appropriation is authorized to the Local Government Division of DFA, DOT will not have continued oversight of the project.

TECHNICAL ISSUES

Senate Bill 280 authorizes the proceeds of the bonds to the Local Government Division (LGD) of DFA but requires the DOT to certify to the State Board of Finance the readiness for the bond issuance. DFA recommends the funds and oversight of the road project be authorized to DOT to allow continued oversight for completion of the road project.

DOT notes the road project contained in this bill is already a two-lane road and the purpose of the additional funding is to widen the road from the current two-lane road to a four-lane road. DOT recommends amending Subsection B, line 14 to read: “four lanes” in lieu of “two lanes”.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The planning, design and construction of Paseo Del Norte may be delayed due to lack of funding.

SO/LMK/al/rl/al/rl