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### FISCAL IMPACT REPORT

SPONSOR:	Altamirano	DATE TYPED:	02/15/00	HB	
SHORT TITLE:	Air Service Assistance Program			SB	227/aSfI
				ANALYST:	Eaton

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 500.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

New Mexico State Highway and Transportation Department (NMSHTD)/Aviation Division

Legislative Finance Committee (LFC)

## SUMMARY

### Synopsis of Senate Floor Amendment #1

The Senate Floor Amendment strikes language referencing percentage revenue distributions and adds language making an appropriation of \$500.0 in fiscal year 2001. Any unexpended or unencumbered balance remaining at the end of fiscal year 2001 shall revert to the general fund.

### Synopsis of Bill

This bill would include an additional distribution (pursuant to Section 7-1-6.1) of 0.046% of the net receipts attributable to the gross receipts tax distributable to the general fund to the state aviation fund. The duration of the distribution would be from July 1, 2000 through June 30, 2005.

The state aviation fund currently receives revenue from: un-refunded taxes collected on the sale of motor fuel for aircraft (64-1-15); 3.59% of taxes collected from the sale of fuel specially prepared and sold for use in turboprop or jet-type engines (7-1-6.7(A)); and 0.26% of gasoline taxes collected net of penalties and interest (7-1.6.7(B)).

Monies in the state aviation fund are used for planning, construction and maintenance of airports, navigation aids and related facilities serving New Mexico. The additional revenues to the aviation fund proposed by this bill would be earmarked for the air service assistance program. Currently there is a 50/50 federal match for the air service assistance program. Anticipated federal legislation (H.R. 1000, S.82, S.545) would provide a 75/25 federal match.

The bill also extends the appropriation made for use in fiscal year 2000 as legislated by the laws of 1999 Chapter 184 for use in fiscal year 2001 and subsequent fiscal years for its original purpose. The amount of the appropriation in fiscal year 1999 was \$500.0.

## **FISCAL IMPLICATIONS**

The Taxation and Revenue Department report that the estimated impact to the general fund would be \$550.0 in fiscal year 2001.

The Senate Floor Amendment strikes language referencing percentage distributions and makes a direct appropriation from the general fund of \$500.0.

## **ADMINISTRATIVE IMPLICATIONS**

The NMSHTD Aviation Division is managing the air assistance program with the assistance of a consultant and do not report additional impacts.

JE/njw