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FISCAL IMPACT REPORT

SPONSOR:	Rawson	DATE TYPED:	02/15/00	HB	
SHORT TITLE:	Limit Use of Motor Fuels Tax Revenue			SB	SJR 10
				ANALYST:	Williams

REVENUE

Tax	Estimated Revenue	Recurring or Non-Rec	Fund Affected
	FY03		
Gasoline	\$ (200.0)	Recurring	Motorboat Fuel Fund
Gasoline	\$ (400.0)	Recurring	State Aviation Board
GRT & Comp	\$ (150.0)	Recurring	State General Fund *
Compensating	\$ (13.0)	Recurring	Small Cities Assistance Fund
Compensating	\$ (13.0)	Recurring	Small Counties Assistance Fund
Fuel	**	Recurring	Local Govt Rd Fund/Munic Arterial
Fuel	***	Recurring	State Road Fund

(Parenthesis () Indicate Revenue Decreases)

* The state general fund loss is associated with gross receipts and compensating taxes. The compensating tax portion amounts to

about \$110.0. The GRT portion has not been estimated but is assumed to be less than \$50.0.

**The Local Government Road Fund and municipal Arterial Program are administered by SHTD as grant programs for local

government road projects. (Also *** below)

***Increased state and local road revenues of about \$776.0 have not been shown separately since the terms of the amendment may

force reallocation between state and local entities in the enabling legislation.

Relates to SB 109

SOURCES OF INFORMATION

LFC Files

State Highway and Transportation Department (SHTD)

Underground Storage Tank Bureau (USTB)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

The bill amends the New Mexico Constitution, Article 8, such that state taxes on gasoline and other fuel would be used solely by the SHTD or equivalent for local construction and maintenance or for distribution to municipalities or counties for a similar purpose. The effective date of the restriction would be July 1, 2002. The measure would be presented to the public for approval at the next general election or a special election called for this purpose.

Significant Issues

SHTD reports the current long-range plan shows need for improvement, including bond projects, that total \$4.2 billion from FY1999 to 2004. Attached figure shows distribution of 1999/2000 road user revenues. Needs for improvement to municipal, county or tribal road systems are not included in these totals.

TRD and ED note the funding mechanism for the corrective action fund, the petroleum products loading fee, is not a tax, but is imposed for "the privilege of loading" and should not be impacted by this legislation.

FISCAL IMPLICATIONS

The potential fiscal impacts are shown on the chart.

ADMINISTRATIVE IMPLICATIONS

TRD notes "very substantial" administrative burden if the proposal applies to gross receipts and compensation tax, because that system does not track specific products. If approved by voters, but existing laws are not changed, TRD would suspend any questionable revenue distributions and place funds in a suspense fund.

OTHER SUBSTANTIVE ISSUES

TRD notes virtually all state road fund money not otherwise restricted is currently pledged to state highway debentures and Article IX, Section 16 of the Constitution prohibits any decrease in revenue pledged toward those bonds.

TECHNICAL ISSUES

TRD notes it would be relatively easy to circumvent the proposed restriction.

Enabling legislation would be required if the constitutional change is approved by the voters.

AW/gm

Attachment