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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/13

SPONSOR Leavell LAST UPDATED _____ HB _____

SHORT TITLE Limit Use of State Aircraft SB 250/aSFC

ANALYST Chenier

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal	Minimal	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Attorney General's Office (AGO)

General Services Division (GSD)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee amendment adds “representatives and students from the New Mexico School for the Blind and Visually Impaired and the New Mexico School for the Deaf; children traveling for medical-related purposes; government or private; and other persons authorized by the GSD” to the list of authorized passengers on state aircraft. The amendment also proposes to require that the GSD prepare a report to be given to the LFC and posted on the Sunshine Portal every year listing each passenger, their affiliation, and date of travel. The amendment excludes certain items from the report including: if the passenger is a minor, medical treatment, or other protected medical information.

Synopsis of Original Bill

Senate Bill 250 amends the State Aircraft Act, Section 15-9-1 NMSA 1978. The bill adds a detailed definition of “authorized passengers” to supplement the Act’s general reference to use of aircraft by state agencies, officers and employees. The bill authorizes the (GSD) to enter into cost sharing agreements with the Department of Public Safety for joint use of aircraft. The bill also clarifies what the GSD can assess as travel charges for use of state planes, including fuel surcharges. The bill further provides that in setting charges, the GSD is to give consideration to

legislative appropriations for the operation and maintenance of state aircraft. The bill also makes clear the authority of the department secretary or the director of the department's transportation services division to deny a request for state aircraft scheduling "for any reason."

FISCAL IMPLICATIONS

The GSD provided the following:

Amending "authorized passenger" will allow for more public entities to officially use the state aircraft resulting in increased use of the aircraft. Being able to implement travel charges that cover fuel surcharges will result in a reduction of the cost per flight hour from the current rate of \$1,889.00 to a cost of \$675.00 based on a current market value of \$7.50 per gallon of jet fuel consumed at the rate of 90 gallons per hour. Removing the term "depreciation" from the current law allows a reduced charge to be implemented by not having to collect for replacement of the aircraft. The net impact of these changes will enable more agencies to use state aircraft reaching far outlying areas of the state at a more reasonable cost. This bill will also address any FAA issues regarding operational requirement's identified by Part 91.

SIGNIFICANT ISSUES

The AGO provided the following:

SB 250 would continue and possibly strengthen the Department's apparent authority to determine what persons other than "authorized passengers", as that term is defined in the bill, may travel in state aircraft. If the intent of the bill is to restrict use of state aircraft to those persons who come under the definition of "authorized passengers", the bill could be amended to substitute that term for the phrase "and other persons authorized by the department" at lines 16 and 17 of page 2.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The GSD provided the following:

Not enacting this bill would result in the agency having to charge a high use rate which would include collecting for depreciation to replace an aircraft. This will result in the aircraft being underutilized and services to outlying sections of the state not being performed.

EC/blm