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FISCAL IMPACT REPORT

SPONSOR:	Vigil	DATE TYPED:	2/10/00	HB	351
SHORT TITLE:	Equipment and Facility Fund			SB	
				ANALYST:	Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 3,700.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ (3,700.0)	Indefinite	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to House Bill 341 and Senate Bill 383

SOURCES OF INFORMATION

LFC Files

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

House Bill 351 adds a new section to the Fire Protection Fund Law [59A-53-1, NMSA1978] that creates the Equipment and Facility Fund to purchase portable equipment, fire apparatus and other fire fighting equipment. The fund would receive 10 percent from the balance of the Fire Protection Fund as of May 1 of each year. The fund would be available to counties and incorporated municipalities through the State Fire Marshal's Office of the Public Regulation Commission (PRC). The bill sets up a "vehicle and apparatus acquisition advisory committee" to develop application guidelines and to assist in the approval process; the bill requires 25 percent match, either financial or in-kind contributions, and allows the applicants to satisfy the matching requirement with a grant from the New Mexico Finance Authority. Additionally, the bill limits distributions to an applicant at no more than \$200.0. The bill contains a clause that would require the PRC to revert any unexpended balance to the general fund.

Significant Issues

The purpose of the Fire Protection Fund Law is to provide for distribution of funds to incorporated cities, towns and villages, and to county fire districts, in proportion to their respective needs. The balance in the fund ranges from \$37 to \$41 million. Consequently, the effect of the bill would be to make an annual appropriation from \$3.7 to \$4.1 million. Additionally, the fire protection fund reverts to the general fund, aside from the operating budgets for the State Fire Marshal's Office and the Fire Training Academy. Therefore, House Bill 351 would reduce the available general fund by almost \$3.7 million, at a minimum.

FISCAL IMPLICATIONS

Aside from the appropriation contained in the bill, enactment would not have a fiscal impact on the State Fire Marshal's Office, which already has mechanisms in place to distribute the funding to localities.

ADMINISTRATIVE IMPLICATIONS

Enactment of House Bill 351 would have a minor impact on the agency in setting up the advisory committee. However, this responsibility could be absorbed with its existing resources.

MFV/njw