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FISCAL IMPACT REPORT

SPONSOR:	Lyons	DATE TYPED:	1/26/00	HB	
SHORT TITLE:	US Highway 87			SB	64
				ANALYST:	Valdes

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Narrative			Highway Bonds

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

SUMMARY

Synopsis of Bill

This bill authorizes the sale of state highway bonds in the amount of \$143 million for four-lane construction of US Highway 87 from Raton to Clayton.

Significant Issues

The authority to sell bonds is contingent on:

- Federal appropriation of all or a portion of the \$0.043 per gallon federal excise tax on gasoline for highway infrastructure

New Mexico receiving additional federal obligation authority The Legislature increasing the statutory bonding authority cap from \$1,124 billion to \$1,333 billion.

FISCAL IMPLICATIONS

This bill authorizes the sale of state highway bonds in the amount of \$143 million for four-lane construction of US Highway 87 from Raton to Clayton.

TECHNICAL ISSUES

The highway between Raton and Clayton is officially designated as US 64/87.

OTHER SUBSTANTIVE ISSUES

State law limits the total highway bonding authority to \$1.124 billion after June 30, 2001 and requires specific authorization of new projects by the Legislature. Laws of 1998, Chapter 84 and 85 authorized \$1.190 billion in highway bonds. To allow the department to sell bonds for this project, the Legislature would have to increase the bonding authority by \$209 million, to \$1.333 billion.

New Mexico has received additional federal obligation authority as a result of the Transportation Equity Act for the 21st Century (TEA-21). However, since obligation levels are less than apportionment levels, the added federal funds available to the department for debt service can support \$900 million in highway bonds, \$219 million less than the amount already authorized by the Legislature.

The State Highway Commission policy on debt management states, "No new debt secured by Pledged Revenues of Federal-aid Secured Bonds shall be issued by the Commission unless new revenues have been identified for repayment of such debt.

MFV/njw