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FISCAL IMPACT REPORT

SPONSOR: Regensberg DATE TYPED: 02/05/01 HB 496/aSFI#1
 SHORT TITLE: Mora County Emergency Disaster Relief SB _____
 ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
3,200.0				Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Department of Public Safety's Emergency Management Center
 Office of the Governor
 Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Senate Floor Amendment

The amendment deletes the HAFC amendment and increases the appropriation for emergency expenditures to \$3.2 million, \$700.0 of which is intended for Mora county, and the remainder of which can be used for Union, Harding, San Miguel, Guadalupe, Torrance and Santa Fe counties. These seven counties were the subject of the governor's disaster declaration on February 1, 2001, which made them eligible for state disaster assistance of up to \$750.0 each and is discussed below.

Synopsis of HAFC Amendment

The amendment would make all counties in the state eligible for emergency funding as provided by the bill.

Synopsis of Bill

House Bill 496 appropriates \$700.0 from the general fund to the DFA's Local Government Division for the purpose of Mora county emergency expenditures in FY 2001 related to severe winter storms in January, 2001.

Significant Issues

Two severe winter storms hit New Mexico in January 2001 and had particularly harsh impact on the northeastern section of the state. Many counties reported snow depths exceeding two feet in parts of their jurisdictions. According to the Governor's office, "local government crews worked long hours to keep essential roads open and high winds closed roads soon after they were opened in many cases." The bill notes that as a result of the storms, Mora county faces problems including stranded persons in remote areas and stranded and starving livestock.

On February 1, 2001, the Governor issued Executive Order 01-08 declaring a state of disaster to address the effects of the storms on seven counties and four municipalities (copy attached). Mora county was included in the order. The order directed the state's Disaster Assistance Program to assist with any needed state resources and said that "disaster relief funds will be made available and disbursed to eligible applicants . . . in accordance with regulations set forth in the Disaster Assistance Program *Local Government Handbook* and the Statutes of New Mexico."

Section 6-7-2 NMSA 1978 as amended provides that "when and if the governor shall declare an emergency . . . there is appropriated the sum of seven hundred fifty thousand dollars (\$750,000) for each eligible and qualified applicant or so much thereof as the governor may from time to time designate from the surplus unappropriated money in the general fund. . ." A copy of the relevant statute is attached.

FISCAL IMPLICATIONS

The appropriation of \$700.0 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2001 shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

DPS notes that the counties covered by the governor's declaration will be eligible for state disaster assistance funding depending on the financial capability of the counties to absorb the emergency response and cleanup costs associated with the disaster. DPS notes that any costs expended to protect the lives, health, safety and welfare of the citizens of are eligible. DPS' Emergency Management Center believes the provisions of House Bill 496 are unnecessary and may have the effect of weakening the state's Disaster Assistance Program.

Emergency assistance available to counties and municipalities upon declaration of a state of disaster includes the use of National Guard assets, services of the State Highway and Transportation Department, and reimbursement for extraordinary expenses related to snow removal. Provisions for emergency shelter can be provided in emergencies in National Guard Armories and are often provided by the American Red Cross. DPS's Emergency Management Center reports that Mora county has not yet requested any of these services, except reimbursement for contracting of snow removal equipment.

The bill would likely cover some costs not eligible under the Disaster Assistance Program, for example, impacts to livestock. DPS believes that costs to agriculture could be covered by federal assistance.

DPS' Emergency Management Center reports that a check with the Mora county emergency coordinator on the afternoon of February 2, 2001 indicated that conditions had improved considerably and that further assistance from the State in terms of physical resources was not needed.

According to DFA's Local Government Division, Mora county is financially distressed and is having difficulty meeting budgetary reserve requirements on an ongoing basis.

POSSIBLE QUESTIONS

1. Are the provisions of the Governor's disaster declaration of February 1, 2001 sufficient to meet the needs of Mora county?
2. Were the impacts of January's snowstorms more harmful to Mora county than to other counties and municipalities in the region to justify a special appropriation?

LP/njw
Attachments