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FISCAL IMPACT REPORT

SPONSOR: Coll DATE TYPED: 02/21/01 HB 928
 SHORT TITLE: Retirement of State Capitol Annex Bonds SB _____
 ANALYST: Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
\$ 9,000.0				Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Property Control Division (PCD)
LFC Files

SUMMARY

Synopsis of Bill

House Bill 928 appropriates \$9 million from the General Fund to the Legislative Council Service to complete the capitol annex renovation project and retire the bonds authorized for the renovation. The bill amends the Capitol Building Repair Fund (CBRF) statute to remove language diverting CBRF revenue to the New Mexico Finance Authority (NMFA) to repay the bonds.

Significant Issues

The 1997 Legislature authorized the NMFA to issue bonds for up to \$10,155,000 to finance renovations to the North Capitol Annex. The NMFA issued bonds totaling \$9,315,000 on March 15, 1999 for sixteen years for the renovation project. The first \$1 million a year of income into the Capitol Building Repair Fund (CBRF), including revenue from the Land Grant Permanent Fund, was pledged to retire the bonds. Revenue to the CBRF is derived from income and interest from state trust lands administered by the Commissioner of Public Lands. The CBRF is the primary funding resource for building repairs and equipment replacement for state-owned buildings in Santa Fe.

As of September 15, 2000 the principal balance was \$8,840,000. According to the NMFA, retiring the bonds by the end of fiscal year 2001 would save approximately \$5,398,000 in interest and fees. If the bonds are retired, revenues not needed from the CBRF for debt service could be applied to the much needed maintenance and repairs of capitol buildings.

FISCAL IMPLICATIONS

The appropriation of \$9 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 2002 shall revert to the General Fund.

LMK/prr