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## FISCAL IMPACT REPORT

SPONSOR: Vigil DATE TYPED: 03/14/01 HB HJM - 75  
 SHORT TITLE: Local Government Infrastructure SB \_\_\_\_\_  
 ANALYST: Padilla

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to \_\_\_\_\_

### SOURCES OF INFORMATION

LFC Files  
 Department of Finance and Administration

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 75 requests the United States Congress to appropriate funds to assist local governments with infrastructure improvements. The memorial explains that local governments often have difficulty in financing improvements such as street paving, water and drainage systems and erosion prevention.

#### Significant Issues

In an annual effort to coordinate and plan local infrastructure capital improvements, DFA's Local Government Division works with municipalities, counties, tribes and other local government entities to prepare the Local Infrastructure Capital Improvement Plan (ICIP). The ICIP catalogs the needs of local governments in the following areas: water supply, housing, roads/streets/bridges, parks, fire equipment, wastewater, solid waste, cultural facilities, airports, administrative facilities, storm/surface water containment, service facilities and other.

The ICIP is used by the legislature (in making decisions on capital outlay), the New Mexico Finance Authority and by DFA (in making decisions on CDBG funding).

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The State Highway and Transportation Department coordinates a related effort—the Transportation Improvement Plan—for local street improvement needs.

Federal agencies that provide funding (loans and grants) for local infrastructure development include the U.S. Department of Agriculture, the Department of Transportation, the Environmental Protection Agency and the Department of Housing and Urban Development. DFA reports that federal funding for water and wastewater projects has declined over the years.

The Department of Housing and Urban Development administers the Community Development Block Grant program (CDBG). CDBG funding is provided to entitlement cities, urban counties and states based on a formula and may be used for community and economic development activities. New Mexico receives approximately \$20 million in CDBG funds annually.

Many local governments in New Mexico have large unused bonding capacities which could be tapped to finance infrastructure improvements.

### **FISCAL IMPLICATIONS**

This is a memorial and contains no appropriation.

LP/njw