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## FISCAL IMPACT REPORT

 NSOR: Burpo DATE TYPED: 01/28/02 HB 16/aHTRC

SHORT TITLE: NMFA Emergency Public Projects SB \_\_\_\_\_

ANALYST: Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
NFI					

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

New Mexico Finance Authority  
LFC Files

### SUMMARY

#### Synopsis of HTRC Amendment

The House Taxation and Revenue amendment extends the sunset provision for the NMFA Emergency Funding Program through June 30, 2005.

#### Synopsis of Original Bill

House Bill 16 removes the sunset provision regarding emergency public projects funded by the NMFA from the Public Project Revolving Fund.

#### Significant Issues

The 1999 Legislature created the Emergency Funding Program allowing the NMFA to make a limited number of loans from the Public Project Revolving Fund to qualified local government entities for emergency public projects. The legislation authorized NMFA to make up \$3 million in emergency loans per fiscal year. Individual loans may be for up to \$500.0 for emergency projects only. The NMFA applies the definition of “emergency public projects” similar to the definition used by the State Board of Finance for emergency funding when approving the loans.

Requirements to constitute an emergency include an unforeseen occurrence or circumstance to threaten public health, safety or welfare; require the immediate expenditure of money; and, not be within the available financial resources of the applicant. The current provision of the law is effective until June 30, 2002.

House Bill 16 removes the sunset provision and allows the NMFA to make emergency public project loans, without legislative authorization, indefinitely.

### **FISCAL IMPLICATIONS**

House Bill 16 authorizes the NMFA to make loans for up to \$3 million per fiscal year for emergency purposes from the Public Project Revolving Fund, thereby reducing the loan capacity from the fund for other non-emergency public projects authorized by the legislature.

LMK/ar/njw