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FISCAL IMPACT REPORT



SPONSOR: Sandoval DATE TYPED: 02/06/02 HB 441

SHORT TITLE: Lower Match for STB Funds SB _____

ANALYST: Kehoe

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|-------------------------|------------------|
| FY02 | FY03 | FY02 | FY03 | | |
| | | \$0.1 See Narrative | | | |
| | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 316 lowers the match requirement for severance tax bonds (STBs) issued in fiscal years 2001 through 2010 for the purpose of financing water and sewer distribution and collection systems in the developed and underserved areas of Bernalillo County.

Significant Issues

Laws of 1999, Chapter 5 authorized the issuance and sale of STBs beginning in FY01 and continuing through FY10 for the purpose of financing water and sewer distribution and collection systems in the developed and under-served areas of Bernalillo County, including the City of Albuquerque in an amount not to exceed \$20,000.0. The bond amount was limited to \$2,000.0 in any one year and \$20 million in total over ten years. Laws of 2000, Chapter 18 (SS) allowed an increase in STBs from \$2,000.0 to \$4,000.0 to be issued for the above purpose in FY01 only, but maintained the \$2,000.0 authorization in subsequent years. Bond certification and issuance for the project was con

tingent upon the governing body of the City of Albuquerque and the Board of County Commissioners of Bernalillo County certifying that other funding in an amount equal to four and one-half times the amount of bonds issued, including the amount of bonds proposed to be issued for that fiscal year, has been secured from city, county or federal resources.

Senate Bill 316 amends the contingency to require a match of one and one-half times the amount of bonds issued rather than four and one half-times the amount of bonds issued to construct the water and sewer distribution and collection systems.

FISCAL IMPLICATIONS

Reducing the match requirements for the purpose of financing water and sewer distribution and collection systems in the developed and under-served areas of Bernalillo County will not impact state funds. However, decreasing the local and federal government match requirement, may cause the local entity to need more state funds for the project in the future.

LMK/njw