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FISCAL IMPACT REPORT

SPONSOR Silva DATE TYPED 02/08/04 HB 124/aHF1#1

SHORT TITLE NMFA Public Project Revolving Fund Loans SB

ANALYST Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
		See Narrative	See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 202.

SOURCES OF INFORMATION

LFC Files
New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of HF1 Amendment #1

House Floor Amendment #1, items 1 through 11, make technical adjustments to the bill and authorizes NMFA to make loans for public projects from the Public Project Revolving Fund for an additional 9 projects. The additional projects are in Santa Fe, Bernalillo, Lincoln, Union, Sandoval, Curry, Torrance and San Miguel counties.

Item 11 authorizes loans to the Department of Transportation for road and refinancing projects.

Synopsis of Original Bill

House Bill 124 authorizes NMFA to provide loans from the Public Project Revolving Fund (PPRF) to 125 statewide qualified entities for infrastructure projects

Significant Issues

Section 1 describes the 125 projects and identifies the state and local entities requesting legislative authority to make loans from PPRF. According to NMFA, the approximate value of all the

projects contained in this section totals approximately \$300 million in needs statewide.

Loans from PPRF benefit eligible entities by allowing them to borrow for infrastructure projects at below market costs, based on terms and conditions established by NMFA. The authorization provided in the bill does not guarantee that those projects will receive an NMFA loan. Loans will be made to entities that can identify a sufficient revenue source for repayment of a loan and are able to meet other financial criteria established by the Authority.

Section 2 voids legislative authorization if a qualified entity does not notify the Authority by the end of fiscal year 2007 of its desire to continue to pursue a loan from NMFA.

Section 3 contains an emergency clause.

FISCAL IMPLICATIONS

House Bill 124 does not appropriate funds. However, loans made in the interim as a result of passage of the bill would result in reducing the loan capacity of the Public Project Revolving Fund. PPRF capacity for direct cash loans as of December 2003 was approximately \$15 million.

DUPLICATION

This bill duplicates Senate Bill 202 in its entirety.

OTHER SUBSTANTIVE ISSUES

Some of the eligible state entities listed within the bill seeking authorization include: Expo New Mexico for infrastructure and refinancing; New Mexico Highlands University for refinancing projects; New Mexico State University for building and refinancing projects; for Northern New Mexico Community College for infrastructure; and for the University of New Mexico-Gallup campus for land purchase projects.

LMK/njw:dm