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FISCAL IMPACT REPORT

SPONSOR HTC DATE TYPED 2/13/2004 HB 621/HTCS

SHORT TITLE Road Development and Improvements SB _____

ANALYST Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$8.4 million			Non-recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The House Transportation Committee Substitute for House Bill 621 appropriates \$8.4 million from the general fund to New Mexico Department of Transportation for the purpose of improving three roads:

1. \$ 3 million For northwest loop in Albuquerque (15 miles)
2. \$ 1.4 million For forest road 235 near Magdalena (7 miles)
3. \$ 4 million For state road 234 to state road 207 (5.1 miles)

Significant Issues

The \$1.6 billion package for the Governor Richardson Investment Partnership (GRIP) did not include these road projects. The tax increases of approximately \$60 million of new revenue into the state road fund and the GRIP legislation provide two opportunities to fund these projects with state road funds.

Project Duplication in GRIP and STIP. GRIP contained duplicate funding for several projects identified in the statewide transportation improvement plan (STIP), which had the impact of releasing obligated federal funding for projects. The STIP is a federally funded list of highway reconstruction projects. An opportunity may exist to include some of these projects in the STIP.

State Construction Program: Approximately \$11 million of the new revenue into the state road fund was appropriated for the state construction program, which has not been funded since FY03. The state construction program is designed to address road improvements for roughly 1,100 miles of road in New Mexico that is ineligible for federal funding. The new funds in this program could be used for some of the projects identified in the bill.

FISCAL IMPLICATIONS

The appropriation of \$8.4 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

MFV/lg:yr