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FISCAL IMPACT REPORT

SPONSOR Rodriguez DATE TYPED 01/26/04 HB _____

SHORT TITLE NMFA Public Project Revolving Fund Loans SB 202

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 House Bill 124.

SOURCES OF INFORMATION

LFC Files
New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of Bill

Senate Bill 202 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

Senate Bill 202 does not appropriate funds. However, loans made in the interim as a result of passage of this 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 House Bill 124 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 projects; 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:pr