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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/07

SPONSOR Fox-Young LAST UPDATED \_\_\_\_\_ HB 708

SHORT TITLE State Office Building Bonds SB \_\_\_\_\_

ANALYST Kehoe

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
\$52,000.0		Non-Recurring	General Fund
(\$52,000.0)		Non-Recurring	State Office Building Bonding Fund
\$26,100.0		Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Conflicts with House Bill 1137.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

General Services Department (GSD)

New Mexico Finance Authority (NMFA)

### SUMMARY

#### Synopsis of Bill

House Bill 708, with an emergency clause, appropriates \$52 million from the general fund to retire all outstanding State Office Building Tax Revenue Bonds issued by the New Mexico Finance Authority; appropriates \$26.1 million for certain capital projects for which the bonds have been authorized; and repeals the State Building Bonding Act.

### FISCAL IMPLICATIONS

House Bill 708 appropriates \$52 million from the general fund to the state building bonding fund to retire State Office Building Tax Revenue Bonds issued in previous years by the New Mexico Finance Authority. The State Office Building Tax Revenue Bonds are secured by a pledge of the first \$500,000 per month in gross receipts tax collections by the state. The \$52 million is a non-

recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

The bill further appropriates \$26.1 to the Property Control Division of the General Services Department for specified projects, including \$8 million to plan, design, construct and equip a parking structure in the central capitol campus in Santa Fe which will be transferred and operated by the New Mexico Legislative Council, and \$18.1 million to acquire land, plan and design, construct and equip a state laboratory building in Albuquerque. The appropriation of \$26.1 million is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2012 shall revert to the general fund.

### **SIGNIFICANT ISSUES**

The projects that have been bonded for or have received a loan from the Authority to date include: \$24,060.1 million for purchase of the Public Employees Retirement Association building, \$1,980.3 million for the Department of Cultural Affairs for museum maintenance, \$4,238.3 for purchase of the National Education Association building, \$21,778.2 million for construction of the west capitol complex, and \$4,076.3 for acquisition of Jaguar road property.

House Bill 708 further repeals Sections 6-21-C-1 and 6-21-21C.1 through 6-21-21-11 eliminating the State Office Building Acquisition Bonding Act and the New Mexico Finance Authority's authorization to issue and sell revenue bonds to acquire state office buildings and other critical state facilities.

The effective date of the bill is on the first day of the calendar month following the month in which the Authority certifies to the Secretary of the Department of Finance and Administration, the New Mexico Compilation commission and the Legislative Council Service that all outstanding State Office Tax Revenue Bonds have been retired.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 1137 authorizes the New Mexico Finance Authority to issue and sell bonds in an amount of \$5 million for the purpose of planning, designing, constructing and renovating capitol north and for renovations at the capitol to provide for space needs. The bill further appropriates \$6.5 million from the general fund to the Authority to retire outstanding revenue bonds issued for the construction of the state building adjacent to the state capitol now known as the state capitol annex.

LMK/nt