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FISCAL IMPACT REPORT

ORIGINAL DATE 01/29/09
 LAST UPDATED 02/23/09 **HB** _____

SPONSOR Sapien

SHORT TITLE Sandoval Flood Authority Indebtedness **SB** 316/aSCONC

ANALYST Hoffmann

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
		NFI	

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Engineer (OSE)

No Response

Department of Finance and Administration (DFA)

Association of Counties

SUMMARY

Synopsis of SCONC amendments

The Senate Conservation Committee amendment reduces the maximum allowable indebtedness of the Southern Sandoval County Arroyo Flood Control Authority to sixty million \$60,000,000 from eighty million (\$80,000,000).

Synopsis of Original Bill

Senate Bill 316 increases the maximum allowable indebtedness of the Southern Sandoval County Arroyo Flood Control Authority from thirty million (\$30,000,000) to eighty million (\$80,000,000) dollars.

FISCAL IMPLICATIONS

There are no fiscal implications for the general appropriation act or capital outlays from the legislature. If this bill is passed, any additional indebtedness could only be incurred through bonds authorized by a majority of the electors voting in favor in an election held for that purpose.

SIGNIFICANT ISSUES

The Fiscal Services Officer and the Accounting Officer of the Southern Sandoval County Arroyo Flood Control Authority provided the reasons supporting the requested increase in bonding capacity.

The SSCAFCA currently has approximately \$22.5 million in outstanding general obligation bonds. The Authority's current financial plan calls for additional bonds to be issued, placing the Authority close to their statutory bonding capacity.

The SSCAFCA officers identified above stated that the governing board is committed to not raising the tax rates for their bonds. They intend to issue new bonds only as old ones are retired.

The bonding capacity of \$60 million will put the SSCAFCA at a level comparable to other local flood control authorities including the Albuquerque Metropolitan Flood Control Authority.

Bond proceeds are used by the SSCAFCA as matching funds for available federal grants.

The Office of the State Engineer notes no significant issues with this bill.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The total outstanding indebtedness allowed for the authority would continue to be thirty million dollars (\$30,000,000).

CH/mt