

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/17
SPONSOR Campos **LAST UPDATED** _____ **HB** _____

SHORT TITLE Study Current Capital Outlay Plan **SJM** 24

ANALYST Kehoe

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate		Recurring	(See Fiscal Impact)

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 New Mexico Finance Authority (NMFA)

SUMMARY

Synopsis of SJM 24

Senate Joint Memorial 24 requests the New Mexico Finance Authority Oversight Committee (NMFAOC) and the governor to appoint a committee to study the state’s current capital outlay planning, funding, and monitoring processes; and to study state, statewide, regional, and local infrastructure needs as per state and local Capital Outlay Improvement Plans; and to make recommendations for improvements of the process to the Legislature by November 15, 2017.

FISCAL IMPLICATIONS

Senate Joint Memorial 24 does not appropriate funds. However, costs that may be incurred by the committee to study the current capital outlay process in not known at the time of this writing. Expenses may include per diem and mileage, printing, and other expenses deemed necessary for the committee to fulfill the purposes of this bill.

SIGNIFICANT ISSUES

In accordance with Chapter 6, Article 21, the New Mexico Finance Authority Legislative Oversight Committee is an interim committee empowered to monitor and oversee the operations of the New Mexico Finance Authority (NMFA). The committees’ duties include providing advice and assistance to the NMFA and cooperating with the executive branch of state government and local governments on planning, setting priorities for and financing of state and local capital projects. The committee is also empowered to undertake an ongoing examination of

Senate Joint Memorial 24 – Page 2

the statutes, constitutional provisions, regulations, and court decisions governing state and local government capital financing in New Mexico.

Legislative findings leading to the creation of the New Mexico Finance Authority, in accordance with 6-21-2 are as follows:

- (1) There are necessary state and local capital improvement and infrastructure needs that cannot be met with existing capital financing methods and funding sources;
- (2) There is no coordinating entity or process for accomplishing long-term state and local capital planning, needs assessment or inventory of needs; setting priorities; and making more effective use of existing capital financing methods and funding sources;
- (3) The uncertain nature of revenues available from the proceeds of severance tax bonds and other state and local revenues have frustrated state and local government efforts to finance needed state and local capital projects; and
- (4) In order to meet public capital and infrastructure needs, a central state mechanism to coordinate the planning and financing of public projects is necessary.

ADMINISTRATIVE IMPLICATIONS

Senate Joint Memorial 24 directs the Legislative Council Service (LCS) to take the lead in staffing the work group and for other legislative staff and state agencies be called upon for assistance as needed. NMFAOC is currently supported by staff of the LCS.

LMD/al