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FISCAL IMPACT REPORT

SPONSOR Gonzales/Maestas ORIGINAL DATE 1/24/18
 LAST UPDATED _____ HB 3

SHORT TITLE Dept. of Transportation Appropriation Act SB _____

ANALYST Jorgensen

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$861,402.0	Recurring	State Road Fund, Internal Service Funds/Interagency Transfers, Road Fund Balance, Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
	\$458,679.0		Recurring	State Road Fund
	\$401,300.0		Recurring	Federal Funds
	\$1,471.0		Recurring	Interagency Transfers

(Parenthesis () Indicate Revenue Decreases)

Relates to NMDOT appropriation in the General Appropriation Act.

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 3 includes the fiscal year 2019 (FY19) operating budget appropriations for the New Mexico Department of Transportation (NMDOT) based on the Legislative Finance Committee's FY19 budget recommendation and includes recommended performance measures and targets.

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HB3 appropriates \$861.4 million including \$416 million from state road fund revenues, and \$401.3 million from federal funding sources to support the operational activities of NMDOT in FY19. The bill also provides an exception to the law requiring funds received by the New Mexico Finance Authority from NMDOT to be deposited into the local government transportation infrastructure fund.

FISCAL IMPLICATIONS

HB3 reduces total expenditures by \$15 million relative to FY18. The reduction is attributable to the NMDOT reducing use of fund balance by \$25 million and an increase in projected state road fund revenues of \$10 million. A transfer of \$6 million from the state road fund to the Taxation and Revenue Department included in the NMDOT budget in FY18 was discontinued in HB3.

SIGNIFICANT ISSUES

The budget for the New Mexico Department of Transportation (NMDOT) consists primarily of two funding sources: state road fund, primarily used for highway maintenance, and federal funding awards, primarily used for construction and debt service payments. HB3 contains \$158.8 million for debt service for FY19. Additionally, HB3 includes \$4.2 million for ports of entry to support staff salaries and provide for building maintenance.

TECHNICAL ISSUES

HB3 reflects a spending level that is supported by projected state road fund, interagency transfers and federal revenues.

CJ/al