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## FISCAL IMPACT REPORT

SPONSOR Alcon ORIGINAL DATE 1/23/2020  
LAST UPDATED \_\_\_\_\_ HB 48  
SHORT TITLE Furnace Replacment Program Funding SB \_\_\_\_\_  
ANALYST Hawker

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Mortgage Finance Authority (MFA)

### SUMMARY

#### Synopsis of Bill

House Bill 48 appropriates \$2 million from the general fund to the Department of Finance Administration for the New Mexico Mortgage Finance Authority (MFA) to expend in fiscal year 2021 for the purpose of developing and implementing a furnace replacement program to replace low-efficiency furnaces with high-efficiency furnaces for low-income persons in New Mexico.

### FISCAL IMPLICATIONS

The appropriation of \$2 million is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2021 shall revert to the general fund.

### SIGNIFICANT ISSUES

According to MFA, the replacement of low-efficiency furnaces with high-efficiency furnaces will reduce the utility bills of low income residents while reducing greenhouse gas emissions.

According to MFA the appropriation in HB48 could leverage New Mexico Gas Company (NMGC) funds to replace low-efficiency furnaces. MFA states if NMGC would match the appropriation with \$1 million in their own funds, the combined \$3 million would result in to approximately 1,250 low-efficiency furnaces replaced with high-efficiency furnaces.

VKH/rl