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FISCAL IMPACT REPORT

SPONSOR Campos LAST UPDATED _____
ORIGINAL DATE 2/6/2023
SHORT TITLE State Transit Fund BILL NUMBER Senate Bill 55
ANALYST Simon

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to appropriation in the General Appropriation Act

Sources of Information

LFC Files

Responses Received From
Department of Transportation

SUMMARY

Synopsis of Senate Bill

Senate Bill 55 (SB55) would create the state transit fund and appropriate any money in the fund to the Department of Transportation (NMDOT). The bill allows transit agencies, including tribal, municipal, county, or regional transit district agencies to receive state funding, which the local agency could then use to match federal funds. The bill would require the local agency to cover half of the matching funds required, with the additional matching funds available from the state transit fund.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

SB55 does not include an appropriation. Because the bill does not include an appropriation, it is assumed to have no fiscal impact. However, because the bill's only purpose is to create a fund to which local transit agencies may apply for federal matching funds, it may be the intent of the bill is to receive appropriations or revenue from an unspecified source at some point in the future.

This bill creates a new fund and provides for continuing appropriations. LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds because earmarking reduces the ability of the Legislature to establish spending priorities.

SIGNIFICANT ISSUES

NMDOT currently receives funds from the Federal Transit Administration, which flows through the department to transit agencies across the state. According to NMDOT's operating budget, the agency received \$19.8 million in FY22; about \$2 million was used for departmental operating costs, while \$17.8 million was provided in grants to local government entities. Analysis from NMDOT indicates the responsibility for obtaining matching funds for these projects lies solely with the local transit operator.

JWS/rl/ne