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FISCAL IMPACT REPORT

SPONSOR Soules **LAST UPDATED** _____
ORIGINAL DATE 3/06/2025
SHORT TITLE Study High Speed Passenger Rail **BILL**
NUMBER Senate Bill 479
ANALYST Hanika-Ortiz

APPROPRIATION*
(dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$200.0	Nonrecurring	General Fund

Sources of Information

LFC Files

Agency Analysis Received From
Economic Development Department (EDD)

Agency Analysis was Solicited but Not Received From
New Mexico Department of Transportation (NMDOT)

SUMMARY

Synopsis of House Bill 479

House Bill 479 (HB479) makes an appropriation of \$200 thousand from the general fund to the New Mexico Department of Transportation and Administration (NMDOT) to study the feasibility of constructing a high-speed passenger railroad in New Mexico.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

The bill authorizes a study to assess whether a high-speed passenger rail project would, presumably, be technically, financially, and environmentally viable. NMDOT would determine scope of the study; select study participants, including an engineer to research technologies and economist to analyze revenue sources; provide a meeting space; and dedicate staff and resources. The appropriation in the bill may not be sufficient if the scope of the project is too broad. Additionally, one year may not be enough time for the study to conclude and publish findings.

Public members may be entitled to per diem and mileage. As NMDOT noted in past analyses of similar bills, New Mexico's low population density and long travel distances make a high-speed rail less cost effective. High speed rail projects can be hundreds of millions of dollars, or more.

The Federal Railroad Administration (FRA) has been known to offer funding for study purposes. If FRA issues notice of a funding opportunity, the information needed for the application including cost estimates and expected benefits, would already be available from this study. However, new funding initiatives may be at risk under the federal government's current cost-cutting policies.

SIGNIFICANT ISSUES

Previous attempts to fund studies along the I-25 corridor in New Mexico, or from Denver, CO to El Paso, TX, have not secured funding. In its analysis of Senate Bill 59 in 2023, NMDOT reported that a high-speed passenger train along the I-25 corridor would serve only 1.5 million people, which may not be sufficient population to warrant the expense. Extending the route from Denver, CO to El Paso, TX, however, would serve eight million people. These two cities are large urban centers, but in between there are much smaller population areas compared to other high-speed rail corridors.

The study would help determine whether a high-speed rail system improves transportation efficiency in the state. High speed rail can reduce traffic congestion, travel time and dependency on cars. A high-speed rail system can boost economic development by attracting businesses.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is nearly identical to Senate Bill 59 from 2023, except for a smaller appropriation.

AHO/hj/SL2