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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/09
 LAST UPDATED 2/16/09 HM 6

SPONSOR Steinborn

SHORT TITLE Study Use of Rubberized Asphalt SB _____

ANALYST Moser

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Indeterminate			Nonrecurring	State Road Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Transportation (NMDOT)

New Mexico Department of the Environment (NMED)

SUMMARY

Synopsis of Bill

House Memorial 6 requests that NMDOT create a task force to study the use of rubberized asphalt in state road paving projects. The task force would analyze the costs and benefits of using rubberized asphalt from recycled tires, outline specifications for use of the material and study environmental impacts. HM 6 acknowledges that NMDOT currently has a test strip of rubberized asphalt near Alamogordo on US 54.

The task force would be composed of representatives from NMDOT, NMED, Economic Development Department, local governments, highway paving contractors, the rubberized asphalt industry and others with expertise in the area.

The task force findings are to be presented to the appropriate interim legislative committees no later than December 1, 2009.

FISCAL IMPLICATIONS

NMDOT indicates that the creation of a task force to study the use of rubberized asphalt in state road paving projects should not have more than a *de minimus* fiscal implication to the NMDOT. The NMDOT is already testing the use of rubberized asphalt.

NMDOT estimates that the use of rubberized asphalt would have an approximate 30% increase in the cost of asphalt binder compared to the current Performance Grade (“PG”) asphalts based on cost delta data from Arizona DOT which uses rubberized asphalt in lieu of PG asphalts.

SIGNIFICANT ISSUES

NMDOT states that “While the creation of a task force does not pose a significant issue to the NMDOT, the following should be noted with regard to rubberized asphalt:

- Rubberized asphalt is 30% more expensive than Superpave PG asphalts that NMDOT currently uses.
- Rubberized asphalt cannot be “graded” for the extreme climatic conditions as compared PG asphalts (i.e., PG 76-22 in Deming vs. PG 58-28 in Angel Fire).
- Rubberized asphalt requires much higher mixing and lay down temperatures. This is counter productive to the new environmental push for Warm Mix Asphalts that NMDOT is pursuing.
- NMDOT uses high percentages of Recycled Asphalt Pavement (“RAP”); up to 35% of the hot mix asphalt. Higher and mixing laydown temperatures will have a yet undetermined negative performance on pavements with high percentages of RAP. (Arizona DOT and Utah DOT use rubberized asphalt and do not use RAP).

NMED indicates that it has long wanted NMDOT to utilize more rubberized asphalt in paving projects, and that this study could help validate the benefits of expanded rubberized asphalt use to NMDOT, local communities, and the environment. Nationally, over 52 percent of scrap tires are used as a fuel substitute for coal in furnaces. New Mexico does not have any facilities that can burn scrap tires, although some tires are shipped into Texas for that purpose. Therefore, NMED is eager to establish new markets for scrap tires.

PERFORMANCE IMPLICATIONS

NMDOT advises that:

- Rubberized asphalt has had relative success in extending pavement life, reducing traffic noise, and reducing pavement thickness as used in Arizona and Utah DOTs.
- NMDOT accomplishes these same performance characteristics at lower cost with the use of Performance Graded asphalts as developed by the SHRP study and implementation of SuperPave asphalt blends.
- NMDOT currently uses terminal blend rubberized asphalt in Open Graded Friction Course which does not use RAP with good success.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMED indicates that New Mexico will continue to face challenges in finding legal and legitimate ways to properly dispose of scrap tires. While no statistics are available, the amount of scrap tires illegally disposed of each year is significant. This is borne out by the calls and complaints received by the bureau, as well as the number of communities and counties that apply each year for grants to abate illegally dumped tires.