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FISCAL IMPACT REPORT

ORIGINAL DATE 03/14/13

SPONSOR HTPWC LAST UPDATED _____ HB 672/HTPWCS

SHORT TITLE Public Peace, Health, Safety and Welfare; Creating the Transportation Financing Committee SB _____

ANALYST Soderquist

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Indeterminate	Indeterminate	NFI	Indeterminate	Recurring through FY14	Legislative Council Funds

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

SUMMARY

Synopsis of Bill

The House Transportation and Public Works Committee to House Bill 672 establishes a joint interim committee to be called the “transportation financing committee” the tasks of which will be: 1) to examine and work to implement revenue strategies that manage, reduce, and shift demands on roads and public transportation; 2) consider revenue alternatives and long-term revenue replacements to shift motor fuel taxes; 3) review all current and potential distribution of road-user revenues; 4) examine the utility and mechanisms of partnership projects; 5) examine freight-specific strategies, including financing options. and 6) review other options to identify new transportation financing strategies for the state, as determined by the committee.

The committee established in the proposed legislation will consist of twelve members: 1) the Speaker of the House of Representatives; 2) the President Pro Tempore of the Senate; 3) the majority and minority floor leaders of each chamber of the legislature or their designees; 4) the chair of the standing committee of the House of Representatives concerning transportation issues, appointed by the Speaker of the House of Representatives; 5) the chair of the standing committee of the Senate concerning transportation issues or, if the appointment is made in the interim, by the President Pro Tempore of the Senate after consultation with and agreement of a

majority of the members of the committees' committee; 6) two additional members of the House of Representatives, one from the majority party and one from the minority party, appointed by the Speaker of the House of Representatives; provided, however, that the minority member shall be appointed by the Speaker only from a recommendation made by the minority floor leader, although the Speaker shall retain the right to reject any such recommendation. and 7) two additional members of the Senate, one from the majority party and one from the minority party, appointed by the Senate committee's committee or, if the appointment is made in the interim, by the President Pro Tempore of the Senate after consultation with and agreement of a majority of the members of the committees' committee.

The Legislative Council Service shall provide staff for the committee and a report of the committee's findings and suggested legislation shall be made available to the New Mexico legislative council on or before December 15 preceding the legislative session. The committee shall terminate on June 30, 2014.

FISCAL IMPLICATIONS

No appropriations for the committee are included in the legislation, but the actions proposed for the committee to pursue – including taking testimony from individuals and organizations with expertise in transportation financing, bonding, and construction of infrastructure – will necessarily entail significant expenses related to lodging, per diem, and Legislative Council Service staff time.

SIGNIFICANT ISSUES

Current revenue for state road funds, even when combined with federal funds, is insufficient to address needs critical to the economic welfare of the state. NMDOT economic analysis suggests state road funds will be negatively impacted even further as a result of fuel-efficient vehicles and declining population in the state. According to the NMDOT, there are currently at least \$1.5 billion in unfunded construction needs across the state, including a routine maintenance gap of approximately \$225 million, structurally deficient bridge repair needs of \$250 million, and heavy equipment replacement needs of \$150 million. Further, there are downtown “main street” reconstruction funding needs of approximately \$340 million and major investment project and interchange funding needs of approximately \$425 million. GRIP projects that have been deferred for lack of funding total \$390 million. Although other states are exploring options to address similar problems, neither the State nor the department are currently considering plans for additional revenue sources.

PERFORMANCE IMPLICATIONS

Allocations of staff time at the Legislative Council Service will be impacted by the proposed legislation, which may affect other projects.

RS/blm