

FISCAL IMPLICATIONS

The extension of the overweight zones will result in increased heavy truck traffic on the roads servicing ports of entry which will lead to additional long-term maintenance costs. However, the increased maintenance cost is unknown.

SB 52 does not exempt payment for either a one-time or annual overweight permit fee so revenue generation from permit sales should not be impacted; a similar number of trucks may operate with greater efficiency generating similar levels of revenue, or an increased number of trucks may begin to operate as the region is able to attract more business activity thereby increasing revenue. Oversize and overweight permits sales in New Mexico generated \$5 million in FY14.

SIGNIFICANT ISSUES

The extension of the overweight zone will have the largest impact on freight hauling between the Santa Teresa port of entry and the Union Pacific intermodal yard. EDD states that when the six-mile overweight zone was created in 2011, the location of the Union Pacific intermodal yard was approximated but unknown. Union Pacific later located the intermodal yards approximately two miles north of the existing overweight cargo zone resulting in the need to extend the overweight zone to allow freight carriers to travel non-stop from the port of entry to the intermodal yard.

OTHER SUBSTANTIVE ISSUES

EDD reports that expanding the overweight zone is critical to maintaining the Borderplex as the State's center of gravity for out-of-state exports and international trade. It will have a substantial positive impact on recruiting businesses to the Santa Teresa area.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There will be no direct access of overweight loads to the Union Pacific intermodal rail yard. This will require overweight loads to enter New Mexico be unloaded and redistributed prior to delivery resulting in additional time and costs to industry and customers.

CJ/je