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FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/22

SPONSOR Soules LAST UPDATED _____ HB _____

SHORT TITLE Construct High-Speed Railroad SB 204

ANALYST Jorgensen

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$1,000,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
Department of Transportation (DOT)

SUMMARY

Synopsis of Bill

Senate Bill 204 appropriates \$1 billion from the general fund to the Department of Transportation to construct a high-speed passenger railroad that runs from New Mexico's southern border to New Mexico's northern border. Unexpended or unencumbered balances remaining at the end of fiscal year 2027 shall revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$1 billion contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2027 shall revert to the general fund.

SIGNIFICANT ISSUES

DOT reports:

Significantly more funding would need to be identified to construct a high-speed passenger railroad in New Mexico than the \$1 billion appropriated in SB204. While no cost estimates have been developed for a proposed high-speed passenger railroad in New

Mexico, the high-speed rail line presently under construction in California between San Francisco and Anaheim is currently estimated to cost approximately \$100 billion for a line approximately 500 miles in length, or roughly \$200,000,000 per mile. A high-speed passenger railroad connecting the southern and northern borders of the state would be of a similar length but should be less expensive as there are fewer metropolitan areas in New Mexico. A 2009 General Accounting Office report (GAO-09-317) reviewed projected construction costs for a number of proposed U.S. high-speed passenger railroads, as well as actual costs for recently completed high-speed passenger railroads in Europe and Japan, and estimated construction costs at \$66,000,000 per mile.

CJ/acv