

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

SPONSOR Soules LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 1/24/2023  
SHORT TITLE Study NM High Speed Railroad BILL NUMBER Senate Bill 59  
ANALYST Hanika-Ortiz

### APPROPRIATION\* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$500.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 127.

### Sources of Information

LFC Files

Responses Received From  
Department of Transportation (NMDOT)

## SUMMARY

### Synopsis of Senate Bill 59

Senate Bill 59 appropriates \$500 thousand from the general fund to 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 June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall revert to the general fund.

NMDOT believes the \$500 thousand appropriation is insufficient to complete a feasibility study. In 2009, NMDOT noted it unsuccessfully applied for \$5 million in federal funding, to be matched by \$5 million in state funding for a total of \$10 million, for a feasibility study of a high-speed passenger railroad connecting El Paso, Albuquerque, and Denver.

## **SIGNIFICANT ISSUES**

DOT provided the following comment:

Conducting a feasibility study of a high-speed passenger railroad in New Mexico that does not also examine the feasibility of extending the high-speed railroad into adjacent states to connect with major cities is not advisable. A high-speed passenger rail line that serves the I-25 corridor within New Mexico would serve less than 1.5 million people. By comparison, the three high-speed passenger rail corridors currently under development in the United States—California, Texas, and Florida—will connect metropolitan areas with populations exceeding 26 million, 14 million, and 11 million, respectively. Evaluating the feasibility of a high-speed passenger railroad that extends from El Paso, Texas to Denver, Colorado roughly along the I-25 corridor would include metropolitan areas totaling eight million people, if Ciudad Juarez, Mexico is considered to be served by an El Paso station.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB59 relates to Senate Bill 127 that appropriates \$1 billion from the general fund to NMDOT to construct a high-speed passenger railroad from New Mexico's southern to northern borders.

## **PERFORMANCE IMPLICATIONS**

The bill does not include participation and reporting requirements.

## **OTHER SUBSTANTIVE ISSUES**

NMDOT commented further:

Development of high-speed passenger railroads is a decades long undertaking, for which a feasibility study is only the first step. California's experience in developing a high-speed passenger railroad can be cited as an example of how long this can take. In 1993, California initiated a feasibility study for building a high-speed rail line between Northern and Southern California. After the study showed the line was feasible, environmental analyses were initiated in 2001, a ballot initiative to provide funding to support design and construction was approved in 2008, the first design-build contracts were awarded in 2013, and groundbreaking on the first construction project occurred in 2015. The first segment of the California high-speed passenger railroad, between Merced and Bakersfield, is not expected to become operational until 2029.

AHO/al/hg