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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Pirtle</u>	<b>LAST UPDATED</b> _____ <b>ORIGINAL DATE</b> <u>3/3/2023</u>
<b>SHORT TITLE</b> <u>Highway 380 Projects</u>	<b>BILL NUMBER</b> <u>Senate Bill 395</u>
	<b>ANALYST</b> <u>Simon</u>

### APPROPRIATION\* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$46,000	Nonrecurring	Appropriation Contingency Fund

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

Relates to appropriation in the General Appropriation Act  
 Conflicts with appropriation in the General Appropriation Act

### Sources of Information

LFC Files

Responses Received From  
 Department of Transportation (NMDOT)

## SUMMARY

### Synopsis of Senate Bill 395

Senate Bill 395 appropriates \$46 million from the appropriations contingency fund of the general fund to the Department of Transportation for road projects of U.S. Highway 380 in Chaves County and Lea County in transportation district two. Any unexpended or unencumbered balances would revert at the end of FY26.

The appropriation would be effective from FY24 through FY26.

## FISCAL IMPLICATIONS

The appropriation of \$46 million contained in this bill is a nonrecurring expense to the appropriation contingency fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the appropriation contingency fund.

The House Appropriations and Finance Committee substitute for House Bills 2 and 3 includes a FY24 operating budget for the Department of Transportation of \$1.260 billion, a 3.5 percent increase from FY23. Additionally, HB2/HAFCS includes \$140 million in appropriations from the appropriation contingency fund, utilizing the remaining balance in this fund. As a result, this appropriation conflicts with appropriations currently in that bill.

## SIGNIFICANT ISSUES

SB395 includes an appropriation for acquisition of rights of way, planning, design, and construction to match federal and other state funds for infrastructure projects on U.S. Highway 380 in Chaves and Lea counties.

In analysis on a similar bill, NMDOT notes several road condition issues:

Existing pavement in several locations along [these] corridors are showing signs of distress and deterioration. Once the pavement condition falls below fair, the rate of deterioration increases rapidly and, if actions are not taken to improve the surface conditions, the pavement will begin to fail. Approximately 35 percent of the 84-mile U.S. 380 corridor...have low pavement conditions that require reconstruction or major rehabilitation.

The existing conditions along [these] corridors...do not meet current design criteria. Improvements at these locations will increase drivers' ability to safely navigate through the corridor. Improvements are also needed at the existing intersections and access points to enhance safety for vehicles turning in and out of the crossroad connections. Roadside barrier design standards have changed recently and, as such, all existing guardrail on the corridor will need to be replaced to meet current criteria.

NMDOT further reports these roads lack passing lanes, requiring drivers to move into the opposite direction driving lane to pass, which has the potential to result in severe, head-on collisions. Without passing lanes, the operational capacity of these roadways are reduced.

NMDOT notes if funding cannot be appropriated by the Legislature, the department will implement a plan using multiple, standalone projects to complete the work. The department projects unspecified cost savings if projects could be consolidated into a single project.

NMDOT plans road construction projects though a multi-year plan known as the statewide transportation improvement program (STIP). Federal planning guidelines require the first four years of this plan to be "fiscally constrained," meaning the department must reasonably anticipate there will be revenue available to cover the cost of the project. However, projects along these corridors are not currently within the fiscally constrained portion of the STIP.