

<b>LFC Requester:</b>	<b>Joseph Silmon</b>
-----------------------	----------------------

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**

*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/23/25 *Check all that apply:*  
**Bill Number:** SB 479 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b> <u>William P. Soules</u>	<b>Agency Name and Code:</b> <u>Economic Development Department</u>
<b>Short Title:</b> <u>Appropriation for feasibility study of high-speed railroad</u>	<b>Number:</b> <u>41900</u>
	<b>Person Writing:</b> <u>Peter Mitchell</u>
	<b>Phone:</b> <u>505-570-7796</u> <b>Email:</b> <u>peter.mitchell@edd.n</u>

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$200	Nonrecurring	General Fund

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

The bill proposes allocating \$200,000 from the general fund to the department of transportation for the 2026 fiscal year. The funding is to study the feasibility of constructing a high-speed passenger railroad in New Mexico. Any unspent or unallocated funds by the end of fiscal year 2026 will revert to the general fund.

#### **FISCAL IMPLICATIONS**

This bill authorizes only a study, not construction. Depending on the study's findings, future funding may be required for construction, which could incur significant long-term costs for the state. If the study determines the project is feasible, significant economic benefits could ensue, including job creation, increased tourism and improved transportation efficiency.

#### **SIGNIFICANT ISSUES**

The study may determine costs outweigh benefits, making future funding difficult. The bill does not identify future funding sources for construction such as federal grants, private/public partnerships or additional state taxes. New Mexico's low population density and long travel distances can make a high-speed rail system less cost effective.

#### **PERFORMANCE IMPLICATIONS**

The study helps determine whether a high-speed rail system improves transportation efficiency in New Mexico. High speed rail can reduce traffic congestion, travel time and dependency on cars. A high-speed rail system boosts economic development by improving connectivity and attracting businesses.

#### **ADMINISTRATIVE IMPLICATIONS**

The department of transportation will need to contract consultants in rail infrastructure requiring administrative oversight. Additional regulatory frameworks is required for rail safety, operations and environmental compliance.

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

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Without the feasibility study, policymakers will not have substantive data determining the viability of a high-speed passenger rail system. Without future transportation planning potential rail infrastructure projects are delayed.

## **AMENDMENTS**