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FISCAL IMPACT REPORT

SPONSOR Terrazas/Jones LAST UPDATED 2/7/2024
ORIGINAL DATE 2/5/2024
BILL
SHORT TITLE Highway 180 Project NUMBER House Bill 300
ANALYST Simon

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$100,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Department of Transportation (NMDOT)

SUMMARY

Synopsis of HTPWC Amendment to House Bill 300

The House Transportation, Public Works and Capital Improvements Committee amendment to House Bill 300 increased the appropriation from \$54 million to \$100 million.

Synopsis of Original House Bill 300

House Bill 300 appropriates \$54 million from the general fund to the Department of Transportation (NMDOT) to improve capacity on U.S. highway 180 in Grant County for expenditure in FY25 through FY27.

FISCAL IMPLICATIONS

The appropriation of \$100 million contained in the amended bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

SIGNIFICANT ISSUES

U.S. Highway 180 (US-180) runs from Interstate 10 in Deming, through Hurley, Bayard, Silver City, and along the west side of New Mexico, between the Gila National Forest and the Arizona border, before crossing into Arizona near Luna. NMDOT has begun work on capacity improvements to US-180 along a 5.1-mile stretch of the road between Santa Clara and Hurley. NMDOT’s online State Transportation Improvement Program (STIP) estimates total costs of the first phase at \$34.8 million, mostly funded with funds appropriated by the Legislature during the 2021 special session. That project went to bid on January 19, 2024, but according to the department’s bid website, the proposal was withdrawn and the bids rejected.

NMDOT reports funding from this appropriation would be used to add passing lanes, improve pavement conditions, and to replace guardrails in light of recently changed standards for roadside barriers. Analysis from NMDOT reports the estimated cost of the second phase of corridor improvements is \$100 million. The analysis states if funding for the remaining phases cannot be allocated as a single project, the department will break the project up into multiple standalone projects. The department states this could add costs to the project. The STIP includes two additional projects along US-180, phase II, with an estimate of \$54 million and phase III, with an estimated cost of \$66 million. Both later phases are listed in the STIP as informational, meaning a funding source has yet to be identified.

TECHNICAL ISSUES

HB300 includes an appropriation for “the second phase of road infrastructure project 1101841,” a reference to NMDOT’s control number for the first phase of the US-180 capacity improvement project. The second phase of the project uses control number 1101842. Given the second phase has already been assigned a control number, the reference to project 1101841 might create some confusion. Typically, appropriations to NMDOT do not carry the specific control numbers for a project and rely on a general description of the project.

JWS/al/ne/hg/rl/ne