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FISCAL IMPACT REPORT

SPONSOR	Reps. Brown, Mason and Pettigrew/Sens. Gallegos and McCutcheon	LAST UPDATED	
		ORIGINAL DATE	1/29/2024
SHORT TITLE	DOT & Eddy County Joint Roadway Agreement	BILL	
		NUMBER	House Bill 238
		ANALYST	Simon

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$30,000.0	Nonrecurring	General Fund

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

Relates to House Bill 231

Sources of Information

LFC Files

Agency Analysis Received From
New Mexico Attorney General (NMAG)

Agency Analysis was Solicited but Not Received From
Department of Transportation (DOT)

SUMMARY

Synopsis of House Bill 238

House Bill 238 (HB238) appropriates \$30 million from the general fund for road construction and maintenance on New Mexico highway 31 (NM-31) for FY25 through FY27. The bill also authorizes NMDOT to enter into a joint powers agreement with Eddy County for road construction and maintenance on state roads.

FISCAL IMPLICATIONS

The appropriation of \$30 million contained in this bill is a nonrecurring expense to the general fund. Although this bill does not specify future appropriations, multiyear appropriations, particularly if used to fund services like road maintenance, could create an expectation the program will continue in future fiscal years; therefore, this cost could become recurring after the funding period.

SIGNIFICANT ISSUES

NM-31 is a 23-mile road in Eddy County, running from US-285 near Loving until it intersects with US-62 between Carlsbad and Hobbs. The highway services a large number of active oil wells and is subject to large amounts of heavy truck traffic. According to NMDOT's website, the department is currently in project development for a design-build project for NM-31 and NM-128. The department states these highways need pavement improvements, passing lanes and shoulders, better sight-distance, and drainage improvements. Improvements to realign the intersection of NM-31 and US-285 and install traffic signals and turn lanes are set to be put to bid in March 2024. That project has an estimated total project cost of \$22 million. In addition, the department's online State Transportation Improvement Program includes two additional projects with a total estimated cost of \$163 million, but these projects are informational, meaning they have yet to receive funding.

HB238 would authorize the department to enter into a joint powers agreement with Eddy County for road construction and maintenance projects. The Joint Powers Agreement Act requires the secretary of finance and administration to approve the terms and conditions of the agreement.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB238 relates to House Bill 231, which appropriates \$300 million to NMDOT for improvements to NM-128 in Eddy and Lea Counties.

JWS/al/ne