NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	Altamirano	DATE TYPED:	01/31/03	HB		
SHORT TITL	E: Cumbres	z Toltec Appropriation		SB	32	
	ANALYST:				Martinez	

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$1,600.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates a Capital Request

SOURCES OF INFORMATION LFC Files Executive Recommendation

<u>No Responses Received From</u> Department of Finance and Administration

SUMMARY

Synopsis of Bill

Senate Bill 32 appropriates \$1.6 million from the general fund to the Cumbres and Toltec scenic railroad commission for repairs and maintenance.

FISCAL IMPLICATIONS

The appropriation of \$1,600.0 contained in this bill is a non-recurring expense to the general fund and is contingent upon an equal sum from the state of Colorado. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the general fund.

After operating the C&TSR 75-year-old locomotives up 4% grades, around sharp curves and hauling heavy loads, the costs of rehabilitating, operating and maintaining the steam-powered railroad is taking its toll. A 1995 study by an independent operator indicated that it could cost \$15 million to bring the railroad up to its potential and standard working order. Recent information submitted to LFC indicates that at least three of six locomotives are needed

Senate Bill 32 -- Page 2

to start the 2003 Season. Upgrades are also necessary to comply with Federal Railroad Administration regulations. The Commission needs approximately \$1.3 million to upgrade three locomotives for the upcoming season. This appropriation in this bill also covers maintenance costs of \$100.0 and \$180.0 for an assessment study.

OTHER SUBSTANTIVE ISSUES

The Cumbres and Toltec Scenic Railroad (C&TSR) generates \$45 million annually in economic activity for two of the poorest counties in the nation. The railroad attracts 55,000 to 70,000 tourists annually and employs 20 full-time and 50 part-time employees with a payroll of more than \$1.5 million. The C&TSR is a prime source of tourism revenue to northern New Mexicans, particularly in the community of Chama. However, compounding financial, operational and unforeseen problems and a backlog of deferred maintenance and serious infrastructure needs are threatening the successful operation of the C&TSR.

TECHNICAL ISSUES

Recent information provided to the LFC as it relates to the new commission may require language changes to this legislation.

POSSIBLE QUESTIONS

- 1. Why does this duplicate a standing capital request?
- 2. Will Colorado have the resources to for the contingent matching funds?

MM/prr;yr;ls