

SOURCES OF INFORMATION

Responses Received From
State Highway and Transportation Department

SUMMARY

Synopsis of HAFC Amendment

The House Appropriations and Finance Committee Amendment to HB975 strikes the HTC amendment and revises the proposed gasoline tax rate increase from 5 cents to 5.4 cents, revises the proposed special fuel tax rate increase from 4 cents to 4.4 cents, adds a 15th highway project, and adds \$40 million to the aggregate limit on the outstanding principal amount of bonds.

The 15th highway project is US285, Lamy to Clines Corners for \$40 million. This improvement would widen an important corridor that links I-25 and I-40, providing enhanced flexibility of routes to the benefit of economic activity and emergency preparedness.

FISCAL IMPLICATIONS

The HAFC amendment increases both the gasoline and special fuel tax from the original bill. The new twenty-two and four-tenths cents tax on gasoline and special fuel will increase revenues \$66,814.0 in FY04 and \$73,038.0 in subsequent years. The Revenue Table shown above delineates how the increased revenues will impact the state, cities and counties.

TECHNICAL ISSUES

The HAFC Amendment to HB975 adjusts the tax rates by four-tenths of a cent per gallon, but does not adjust the revenue distribution shares to local governments. Thus, local government road funds, the Municipal Arterial Fund, the Aviation Division, and the Motorboat Fuel Fund all gain a share of the additional revenue attributable to the four-tenths of a cent tax increase added by the amendment.

OTHER SUBSTANTIVE ISSUES

The State Highway and Transportation Department provided two charts which show gasoline and special fuel tax rates for all states as of January 2002; the charts are attached.

Synopsis of HTC Amendment

The House Transportation Committee Amendment changes the additional amount of bonds that can be issued. The amount of bonding authority now equals the amount of projects listed in the bill. The amounts reflected in the tables are correct.

Synopsis of Original Bill

HB975 increases the state gasoline excise tax by five cents per gallon and increases the state special fuel excise tax by four cents per gallon. The limit on bonding authority for highway debentures is increased by \$512.6 million, and the Transportation Commission is authorized to issue

bonds for 14 highway improvement projects. \$521.2 million is appropriated from the proceeds of the sale of bonds to the Highway and Transportation Department for the 14 projects.

HB975 has a July 1, 2003 for tax rate change provisions and an August 1, 2003 for revenue distribution provisions

Significant Issues

The 14 highway improvement projects listed in the bill are:

1. US 666- Tohatchi to Shiprock (\$95,000.0):

This improvement would widen the existing 2-lane highway to a 4-lane highway. The project will provide much needed corrections to safety issues, drainage issues, and correct roadway design deficiencies.

(Note: The NMSHTD is currently working on a Location Study in conjunction with the Navajo Nation for that portion from Tohatchi to Shiprock. The project is currently in Phase IA of the study. This joint venture is the first of its kind between the state and the Navajo Nation in New Mexico.)

2. US54- Tularosa to Santa Rosa (\$166,925.0):

This improvement would add a new 2-lane adjacent to the existing 2-lane highway creating a 4-lane divided highway on US54, from Tularosa to Santa Rosa. The roadway is a major truck route from El Paso to I-40 to markets in the mid-west regions of the nation. The US 54 corridor has been highlighted by the Southwest Passage Initiative for Regional and Interstate Transportation (SPIRIT) initiatives of Kansas, Oklahoma, Texas, and New Mexico as it provides a vital link for economic development.

3. I-40- Coors Blvd(\$50,000.0):

The 20-year traffic projections reveal that the current interchange configuration will not be able to accommodate future volumes. The planned improvements would reconstruct the interchange with "flyovers", as well as the approaches on I-40 and Coors to the interchange. The new interchange will be a system interchange and enhance mobility and safety to this western gateway into the Albuquerque Metropolitan area.

4. US 62/180- Texas State Line to Carlsbad (\$51,360.0):

This improvement would widen the existing 2-lane highway to a 4-lane highway from Carlsbad to the Texas state line. This route would serve as another link for economic development into a developing metropolitan area. Texas is also planning improvements for their section of US62/180 from El Paso to the state line.

5. I-25- Tramway Interchange to US 550 Interchange (\$32,010.0):

This improvement would widen the existing Interstate from 4-lanes to 6-lanes and provide for the much needed capacity and geometric enhancements. This would complete one of the major links into the Albuquerque Metropolitan area.

6. I-25- NM47 to Cesar Chavez Boulevard (\$33,170.0):

This improvement would widen the existing Interstate from 4-lanes to 6-lanes within the Albuquerque metropolitan area and provide for the much needed capacity and geometric

enhancements. This would complete the southern link into Albuquerque and match the roadway section going south from the Big I, thus reducing congestion and greatly improves access into the downtown area. Numerous design and safety deficiencies will be corrected as part of the project due to the age of current design.

7. Isleta Blvd (\$7,500.0):

This improvement would provide right-of-way and roadway improvements to Isleta Boulevard that would serve to enhance safety and manage access into the continually growing south side area of Albuquerque.

8. Sunland Park Extension (\$12,700.0):

This improvement would provide right-of-way and roadway improvements on the Sunland Park Extension that would serve to enhance safety and manage access into the continually growing south side area of Santa Teresa in Southern NM.

9. I-40/Acoma interchange reconstruction (\$7,000.0):

This improvement would provide a 50% design and reconstruction match to a \$7,000.0 contribution and commitment by the Acoma Pueblo. The project's total cost is \$14,000.0. The interchange is the center of the Pueblo's plans for continued economic development in the area. Reconstruction of the interchange is also beneficial to the State and is part of the Department's plan to address the long-term needs in the area.

10. I-40, West of Gallup, 12 to 16 mp (\$12,000.0):

This improvement would reconstruct the existing Interstate from milepost 12 to milepost 16, to provide rehabilitation of a severely distressed and heavily used segment of the I-40 corridor.

11. US84/285, Pojoaque to Espanola (\$25,000.0):

This improvement would reconstruct and provide geometric improvements on the existing highway, from Pojoaque to Espanola. The roadway is a major commuter route vital to transportation and economic development in North-Central New Mexico.

12. SR45, Coors Blvd, Bridge Blvd. to Rio Bravo Blvd (\$6,500.0):

This improvement would provide right-of-way and roadway improvements to Coors Blvd as well as the intersection with Arenal. These improvements would serve to enhance safety and manage access into a continued growing south side area of Albuquerque.

13. I-40, Tijeras Canyon, 170 to 182 mp (\$16,000.0):

This improvement would support reconstruction of the existing Interstate east of the Albuquerque metropolitan area, and provide the much-needed median barrier as well as other critical safety enhancements. The improvement will also help address severe pavement distress of the rapidly deteriorating roadway on this heavy truck and commuter segment of the I-40 corridor.

14. University Blvd. Extension and Access to I-25 (\$6,000.0):

This improvement would support construction of University Blvd. South of Rio Bravo Blvd. to Mesa Del Sol, reconstruction improvements on Rio Bravo Blvd. between University Blvd. and I-25, and improvements to the I-25 / Rio Bravo interchange. These im-

provements would serve to provide much needed access and safety to the area south of Albuquerque

FISCAL IMPLICATIONS

HB975 increases the gasoline tax by five cents per gallon and increases the state special fuel tax by four cents per gallon which would generate \$67.9 million annually of which \$65.9 will go into the road fund. The counties, municipalities and other fuel tax recipients will have increased revenues of about \$2.0 million per year; they are impacted as a result of the bill repealing the one cent gasoline tax decrease scheduled for July 1, 2003.

The bill also increases the bonding authority for highway debentures by \$512.6 million and appropriates \$521.2 million to the Highway and Transportation for the 14 projects listed in the bill.

CONFLICT

HB 975 conflicts with HB644, which repeals the one-cent gasoline tax decrease, scheduled for July 1, 2003 but does not specify the use for the one cent.

OTHER SUBSTANTIVE ISSUES

Attached is a map showing state gasoline tax rates as of January 2002 provided by the State Highway and Transportation Department.

PRF/lr:yr