

**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: Rawson DATE TYPED: 3/06/03 HB \_\_\_\_\_

SHORT TITLE: Hazardous Carrier Route Signs SB 234

ANALYST: Reynolds-Forte

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			Indeterminate	Recurring	State Road Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

Responses Received From  
State Highway and Transportation Department

### SUMMARY

#### Synopsis of Bill

SB234 requires the State Highway and Transportation Department to complete the installation of hazardous carrier route signs on interstate highways by June 30, 2004, and on other hazardous carrier routes by June 30, 2006.

#### Significant Issues

The State Highway and Transportation Department notes that federal law already designates interstates as hazardous carrier routes. Additionally, the bill does not define "hazardous carrier." Therefore, gasoline trucks and propane trucks could be considered hazardous carriers, which would require that SHTD place hazardous carrier signs on all state roads. Additionally, the bill provides no guidance on what the process is for designating hazardous carrier routes and where and how frequently the signs are to be located. The requirement in the bill for SHTD to install and maintain additional signs on highways throughout the state has many performance and fiscal impacts.

## **FISCAL IMPLICATIONS**

SB 234 will require installation of numerous new signs and increase the inventory of signs the department will be responsible for maintaining. It is unclear at this time what the fiscal impact will be as it cannot be determined how many signs will be needed.

The State Highway and Transportation Department is concerned that the bill also raises potential fiscal impacts under the New Mexico Tort Claims Act. The state has waived sovereign immunity for failure to maintain highways. NMSA 1978, Section 41-4-11. Accordingly, if SHTD fails to install or maintain the signs required in the bill, SHTD could be held liable for an accident involving a “hazardous carrier” on a state highway.

## **ADMINISTRATIVE IMPLICATIONS**

SB234 potentially could require a substantial amount of effort to install and maintain additional signs. Without knowing the total number of signs that may be required, it cannot be determined if additional FTE’s may be required.

## **TECHNICAL ISSUES**

It is unclear what the purpose of this bill is. It does not define “hazardous carrier” and does not tie in to any other state or federal laws that define what would be considered a “hazardous carrier.” Conceivably, this could apply to everything from carriers of radioactive material and hazardous waste, propane and gasoline trucks to a private person carrying home a bucket of paint from the hardware store. Therefore, as the bill is currently written, it is conceivable that SHTD would have to install the required signs on every state road. The installation of so many signs would ultimately be meaningless to the traveling public. Additionally, the bill provides no guidance on what the process is for designating hazardous carrier routes other than interstates and where and how frequently the signs are to be located. Without this information, it is difficult to determine what the impact of the bill will be. Clearly, however, the impact of having to install and maintain new signs on every highway in the state would be substantial.

Also, it is unnecessary to place hazardous carrier signs on interstate highways. Federal law designates interstate highways for use by hazardous cargo transporters. Hazardous cargo transporters should be aware of this as part of being licensed to handle and transport this material.

PRF/njw/ljs