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FISCAL IMPACT REPORT

SPONSOR Ma	rtinez DATE TYPED 2/24	4/05 HB				
SHORT TITLE	Cumbres & Toltec Railroad Commission Fun	nding SB	518			
		ANALYST	Hadwiger			
APPROPRIATION						

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
New Mexico Finance Authority (NMFA)
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 518 would provide that the expenses of the Cumbres and Toltec Scenic Railroad Commission may be paid from legislative appropriations and from other revenue and user fees collected by the railroad. It would appropriate these revenues to the Commission. The bill also gives the Commission discretion over whether to deposit user fees in the Railroad Loan Retirement Fund.

Significant Issues

Cumbres & Toltec Railroad operations are supported by passenger fares and, when necessary, byoperating subsidies from the State of Colorado and State of New Mexico. Existing statute is outdated, requiring these revenues to be pledged to retire indebtedness. In recent years, the legislature has included language in the general appropriations acts that specified that the Cumbres & Toltec could retain their fare revenues to pay for railroad operations.

Senate Bill 518 -- Page 2

FISCAL IMPLICATIONS

The bill does not change the allocation of revenues from Cumbres & Toltec operations. It alters statute to conform to current practice.

Continuing Appropriations

This bill creates a new fund and provides for continuing appropriations. The LFC generally objects to including continuing appropriation language in the statutory provisions for newly created funds. Earmarking reduces the ability of the legislature to establish spending priorities.

OTHER SUBSTANTIVE ISSUES

The Commission requested a general fund appropriation of \$120.0 for operating costs in FY06, down from \$800.0 in general fund in FY05. The railroad may become self-sustaining once more in FY07, after a decline in ridership in the aftermath of the September 11 attacks and a temporary closure in 2002 due to extreme fire danger. In the 2004 season, the railroad was able to operate the entire season, although not at full capacity due to lack of four operating engines. For the 2004 season (lasting May - October and including the Christmas run) there were 30,216 riders for a total ticket revenue of \$1,746.8 which was over the \$1,500.0 that was projected.

DH/lg:yr