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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/2007

SPONSOR Silva LAST UPDATED HB 248

SHORT TITLE Construction And Operation Of Toll Roads SB

ANALYST Moser

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	\$0.1		Recurring	Federal

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Transportation (NMDOT)

SUMMARY

Synopsis of Bill

House Bill 248 amends Section 73-25-3, NMSA 1978, by adding “toll road” definition within the definition of a “regional transit system” and by defining “toll road”. The bill also amends Section 7-25-6, the section that lists the powers of a regional transit district (RTD), to allow an RTD to carry out feasibility studies regarding toll roads, and to “design, finance, construct, operate, maintain, improve and reconstruct toll roads.”

FISCAL IMPLICATIONS

This bill may have fiscal impact if toll roads are established by an RTD by increasing revenues received by the RTD and potentially decreasing federal dollars received by NMDOT for construction of highways.

SIGNIFICANT ISSUES

HB 248 amends Sections 73-25-3 and 6, NMSA 1978 to allow a regional transit district (RTD) to, in effect, design, build and operate a system of toll roads independent of the existing state road system.

Financing for these toll roads would come from bonds paid from revenue collected from users. NMDOT points out that HB 248 does not provide for or require connection with existing highway systems, although this could be accomplished through agreement between the RTD and the agency or government with authority over the existing road.

Because the system of toll roads would be totally independent from the state highway system, the vast body of laws, regulations and standards that govern the state highway system would arguably not apply to the proposed toll road system. Rather, NMDOT contends that in its place, the bill simply gives RTDs the authority to “design, plan, build,” the toll roads without any guidance for the multiplicity of elements that go into highway design, construction, operation and maintenance. It is NMDOT’s opinion that this will increase operating costs for the RTDs. NMDOT points out that it is doubtful that revenue from user fees/fares will be sufficient to pay for the toll road system.

NMDOT indicates that this bill also does not allow RTDs to convert existing roads into a toll road making it a strong possibility that RTDs will compete with NMDOT for federal and state funding for new construction.

GM/nt