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FISCAL IMPACT REPORT

SPONSOR Ingle **ORIGINAL DATE** 01/27/12
LAST UPDATED 02/04/12 **HB** _____

SHORT TITLE Hay Transportation Permits & Distances **SB** 56/aSCORC

ANALYST Boerner

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY12	FY13	FY14		
25.0	25.0	25.0	Recurring	Road Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture

The Department of Public Safety (DPS)

SUMMARY

Synopsis of SCORC Amendment

The Corporations and Transportation Committee amendment implements the suggested change by the New Mexico Department of Agriculture to place an emergency clause in the bill.

Synopsis of Original Bill

Senate Bill 56 provides for special permits for hay transportation for loads greater than 102 inches wide provided the vehicle is marked on front and back with “OVERSIZED LOAD.” The area covered by the special permit is to be specified on the permit. The bill strikes language limiting the transport of hay loads (up to 144 inches wide) to highways that are not national network highways.

FISCAL IMPLICATIONS

The DPS reports that the bill will increase the amount of revenue collected by the Motor Transportation Police to be deposited in the NMDOT Road Fund.

The New Mexico Department of Agriculture claims no fiscal impacts.

SIGNIFICANT ISSUES

The New Mexico Department of Agriculture provided the following significant issues:

Multiple years of drought coupled with numerous wildfires has resulted in reduced forage on rangelands and increased the need for additional hay to sustain the livestock industry. Heavy snowstorms created an additional need for movement of hay into the state to supplement livestock. With emergency situations over the years, hay inventories have been depleted and inventory carryover no longer exists. With changes in cropping patterns, New Mexico can no longer produce the volume of hay necessary to address the aforementioned situations and must rely on interstate commerce to fill this void. From 2000 to 2010, hay acreage decreased from 390 thousand to 310 thousand harvested acres. In that same time period, dairy cow numbers increased from 250 thousand to 321 thousand head. Hay production, bale size and form, and industry needs have changed drastically since the original permitting language within state law. High fuel costs necessitate the need for maximizing load capacity of hay to ensure economic efficiency in interstate transportation of hay. Permitting of oversize loads of hay, while not foregoing highway safety will help address these unique circumstances facing agriculture and assist in assuring its economic viability.

SUGGESTED AMENDMENTS

The New Mexico Department of Agriculture states that due to the unpredictability of disaster situations and the need to move hay expediently in such situations, it is desirable to place an emergency clause in the bill.

PERFORMANCE IMPLICATIONS

The DPS states that the bill will increase the number of oversize permits issued by the ports and the MTP oversize permit offices.

ADMINISTRATIVE IMPLICATIONS

The DPS reports there will be an increased number of permits.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The New Mexico Department of Agriculture states that the economic viability of the livestock industry will be negatively impacted with long term implications; SB56 is necessary for adequate and efficient movement of hay into New Mexico to address unique situations.

The DPS states that in the last year, a significant drought plagued the Southeastern Portion of New Mexico. The current statute and regulations prohibit MTP from issuing permits to carriers transporting hay across the state. Passing this legislation will allow motor carriers the ability to traverse on the “National Network” highways.

CEB/lj