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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 01/29/14  
**SPONSOR** Campos **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Legal & Economic Railroad Service and Analysis **SB** 168

**ANALYST** Chavez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
\$150.0		Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 116, Duplicates HB 117

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

UNM - Bureau of Business and Economic Research (BBER)  
 Department of Transportation (DOT)

### SUMMARY

#### Synopsis of Bill

Senate Bill 168 (SB 168) appropriates \$130 thousand from the general fund to the Board of Regents of the University of New Mexico (UNM) for the Bureau of Business and Economic Research (BBER) to develop a cost and benefit economic analysis of the State's investment required to keep the Southwest Chief Train Service.

Senate Bill 168 also appropriates \$20 thousand from the general fund to the Legislative Council Service for an independent legal analysis of the statutory requirements needed to implement the above investment.

### FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund. The bill has an emergency clause.

## **SIGNIFICANT ISSUES**

The Southwest Chief currently provides passenger service daily both directions between Chicago and Los Angeles, with intermediate stops in Raton, Las Vegas, Lamy, Albuquerque, and Gallup, New Mexico. In a presentation to the committee in November, 2013, Ray Lang, Amtrak's state government relations chief, proposed that Amtrak split the costs of maintenance and capital improvements for more than 600 miles of track with the states New Mexico, Colorado, and Kansas, and Burlington Northern Santa Fe, which owns the line but uses only a portion of it. Each of the states would be asked to contribute about \$4 million annually for ten years (approximately \$40 million total) to keep Amtrak's Southwest Chief line on its current route.

BBER states that additional, on-going costs for the New Mexico Department of Transportation (NMDOT) to inspect and maintain track and signals for Amtrak would be approximately \$6.7 million. BBER adds that the proposal to split the cost of maintenance and repair among the five entities mentioned above requires investigation, including legal questions such as the State's anti-donation clause.

BBER notes that its analysis will provide the State with estimates of benefits of Amtrak service to communities along the northeast rail corridor as well as to the state as a whole, and will explore what could be lost or gained if rail service ceases and railway infrastructure and right-of-way are sold off. BBER will also evaluate Amtrak's alternative proposal for providing service to Albuquerque, and will explore the significance of the rail option to the future economic development of northeastern New Mexico and the state as a whole. BBER will also undertake an assessment of costs, including those of DOT inspection and maintenance. The scope of BBER's analysis will depend upon actual funding.

## **ADMINISTRATIVE IMPLICATIONS**

BBER states that it has staff and students with relevant expertise and other resources to undertake this study. The work would begin in March 2014 with reports completed by September.

## **DUPLICATION, RELATIONSHIP**

HB 116 creates the "Southwest Chief Rail Service Fund" in the State Treasury be used solely for acquisition of rights of way or planning, design, engineering, construction or improvement of the railroad track and infrastructure within New Mexico used by the Amtrak Southwest Chief Train.

This bill duplicates HB 117.

KC/svb