Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (<u>www.nmlegis.gov</u>) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

# FISCAL IMPACT REPORT

		<b>ORIGINAL DATE</b>	1/27/15		
SPONSOR	Papen	LAST UPDATED	2/17/15	HB	
				-	

**SHORT TITLE** Extend Port of Entry Overweight Zones

SB 52/aSPAC

ANALYST Jorgensen

#### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Unknown	Unknown	Unknown	Unknown	Recurring	State Road Fund

(Parenthesis () Indicate Expenditure Decreases)

# SOURCES OF INFORMATION

LFC Files

<u>Responses Received From</u> Department of Public Safety (DPS) Department of Transportation (DOT) Economic Development Department (EDD)

#### SUMMARY

#### Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment expands the power of a local authority to limit the size and weight of vehicles traveling on roads within their jurisdiction that pass by an "educational or medical facility or on streets that are not designed or constructed for heavy weight vehicles."

Additionally, the SPAC amendment clarifies that the extention of the overweight zone does not include any roads to the east of Santa Teresa.

Synopsis of Bill

Senate Bill 52 amends Section 66-7-413 NMSA 1978 to extend the overweight zone at ports of entry on the border with Mexico from six miles to 12 miles. The extension of the overweight zone will exempt trucks exceeding the 80,000 pound limit, but below 96,000 pounds, from the requirement to demonstrate that their load cannot be reduced when they receive an overweight permit. The provisions of SB 52 will affect the ports of entry at Santa Teresa, Columbus, and Antelope Wells.

#### Senate Bill 52 – Page 2

### FISCAL IMPLICATIONS

The extension of the overweight zones will result in increased heavy truck traffic on the roads servicing ports of entry which will lead to additional long-term maintenance costs. However, the increased maintenance cost is unknown.

SB 52 does not exempt payment for either a one-time or annual overweight permit fee so revenue generation from permit sales should not be impacted; a similar number of trucks may operate with greater efficiency generating similar levels of revenue, or an increased number of trucks may begin to operate as the region is able to attract more business activity thereby increasing revenue. Oversize and overweight permits sales in New Mexico generated \$5 million in FY14.

#### SIGNIFICANT ISSUES

The extension of the overweight zone will have the largest impact on freight hauling between the Santa Teresa port of entry and the Union Pacific intermodal yard. EDD states that when the sixmile overweight zone was created in 2011, the location of the Union Pacific intermodal yard was approximated but unknown. Union Pacific later located the intermodal yards approximately two miles north of the existing overweight cargo zone resulting in the need to extend the overweight zone to allow freight carriers to travel non-stop from the port of entry to the intermodal yard.

# **OTHER SUBSTANTIVE ISSUES**

EDD reports that expanding the overweight zone is critical to maintaining the Borderplex as the State's center of gravity for out-of-state exports and international trade. It will have a substantial positive impact on recruiting businesses to the Santa Teresa area.

# WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There will be no direct access of overweight loads to the Union Pacific intermodal rail yard. This will require overweight loads to enter New Mexico be unloaded and redistributed prior to delivery resulting in additional time and costs to industry and customers.

CJ/je