

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:

Original  Amendment   
Correction  Substitute

Date 1/17/2024

Bill No: HB40

Sponsor: Pamelya Herndon

Agency Name  
and Code

Economic Development Dept.  
41900

Short

Person Writing

Kevin Wilson

Title: Intrastate Airline Task Force

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
\$500.0		Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

House Bill 40 (HB40) establishes an intrastate airline task force to study and provide recommendations on establishing an intrastate airline transportation system to provide regular and consistent flights between Albuquerque, Las Cruces, Hobbs, Clovis and Gallup. Considerations would include projected demand, optimal routes, projected profitability, federal regulations, infrastructure requirements and whether the airline would operate best as privately owned, publicly owned or via public-private partnership. The 19-member task force would be comprised of a citizen and chamber of commerce member from each city, one senator (co-chair), one representative (co-chair) and representatives from the Departments of Transportation, Tourism, Economic Development, Indian Affairs, African-American Affairs and the Legislative Finance Committee. The board is required to meet at least monthly from May 16, 2024, to December 31, 2024, and present its findings December 1, 2024.

**FISCAL IMPLICATIONS**

A per-meeting cost of \$7,500 is based on assumptions that the meetings will be held in Albuquerque, and appointments from the Senate and House of Representatives are from the further representation areas of the Task Force (Hobbs and Las Cruces). Per diem is assumed from the legislator rate of \$165, with mileage at 52 cents. A room rental rate of \$250 is assumed, along with assuming the task force meets 12 times (eight meetings are required, and up to 24 may be scheduled), the meeting costs are \$90,000 and fit within the appropriation.

<b>Board member</b>	<b>Location</b>	<b>Miles</b>	<b>Mileage cost</b>	<b>Per Diem</b>	<b>Mileage + PD</b>
House member	Las Cruces	500	\$260.00	\$165.00	\$425.00
Senator	Hobbs	700	\$364.00	\$165.00	\$529.00
EDD Secretary	Santa Fe	150	\$78.00	\$165.00	\$243.00
DOT Secretary	Santa Fe	150	\$78.00	\$165.00	\$243.00
Indian Affairs Sec	Santa Fe	150	\$78.00	\$165.00	\$243.00
A-A Affairs Dir.	Santa Fe	150	\$78.00	\$165.00	\$243.00
LFC C. Economist	Santa Fe	150	\$78.00	\$165.00	\$243.00
EDD Sr Economist	Santa Fe	150	\$78.00	\$165.00	\$243.00
Chamber Gallup	Gallup	300	\$156.00	\$165.00	\$321.00

Chamber Hobbs	Hobbs	700	\$364.00	\$165.00	\$529.00
Chamber Clovis	Clovis	500	\$260.00	\$165.00	\$425.00
Chamber LC	Las Cruces	500	\$260.00	\$165.00	\$425.00
Chamber ABQ	Albuquerque	50	\$26.00	\$165.00	\$191.00
Member Gallup	Gallup	300	\$156.00	\$165.00	\$321.00
Member Hobbs	Hobbs	700	\$364.00	\$165.00	\$529.00
Member Clovis	Clovis	500	\$260.00	\$165.00	\$425.00
Member LC	Las Cruces	500	\$260.00	\$165.00	\$425.00
Member ABQ	Albuquerque	50	\$26.00	\$165.00	\$191.00

**EDD costs**

Admin for M/PD	None	0			\$300.00
Admin at meeting	Santa Fe	150	\$78.00		\$378.00
Admin at meeting	Santa Fe	150	\$78.00		\$378.00
Room rental rate					\$250.00
			Cost Per Meeting		\$7,500.00

It is also assumed, as allowed in the legislation, that the task force will contract with economists, consultants, and other experts for assistance. An assumption of four such contract employees would cost the task force \$160,000, based on a proration of \$60,000 annually for eight months of service to the task force.

**SIGNIFICANT ISSUES**

The legislation would require the focus of six different state agencies, five different chambers of commerce and five different private citizens and would likely require two working days per meeting to fully serve the goals of the new task force. Collaboration will also prove difficult, as 19 different calendars must be aligned to suit the demands of the task force.

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

Each meeting will require one working day from at least three Economic Development employees outside of the task force membership. Two people will be needed for the day of the meeting for setting up and conducting the meeting. Another employee will be required to review and process reimbursement requests for an estimated 20 people associated with the task force. The cost would be \$300 per employee (\$28.75 per hour for an eight-hour day, plus 30% for benefits) and an additional \$78 per employee for the additional per diem. This assumes the meetings are in Albuquerque and the EDD employees are Santa Fe based.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL  
AMENDMENTS**