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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/06
 LAST UPDATED 2/3/06 HB _____

SPONSOR Garcia, M

SHORT TITLE Create Fee-free Zones Near Mexican Border SB 255/aSCORC

ANALYST Francis

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Border Authority (BA)
 Department of Transportation (NMDOT)

Responses Received From

Border Authority (BA)
 Department of Transportation (NMDOT)

SUMMARY

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee amended Senate Bill 255 to distinguish vehicles that are within 10 miles of the Mexican border and are crossing or have crossed the border. The original bill applied to all commercial vehicles that were within 10 miles of the border.

Synopsis of Original Bill

Senate Bill 255 would exempt commercial motor carrier vehicles that operate within ten miles of a border crossing with Mexico from the trip tax and the weight distance tax.

FISCAL IMPLICATIONS

NMDOT has reported that there would be no fiscal impact with SB 255. The two taxes are not currently being collected at the Santa Teresa border crossing because they are collected either in

Deming or in Las Cruces and so only collected on vehicles that continue on from Santa Teresa. If the trucks from Mexico stop and turn around in Santa Teresa, those revenues never get collected. Both of these cities are outside the ten mile boundary stipulated in SB 255. The Antelope Wells border crossing is not a commercial crossing so no revenue is collected at that site either.

SIGNIFICANT ISSUES

According to the Border Authority, SB 255 codifies the current practice of not collecting these fees. The imposition of the fee was more costly than the revenue the might have been collected. The codification of this practice sends a message to border industry and commercial traffic that New Mexico is competitive with Texas, who does not impose fees on international commercial crossing at its border in El Paso.

NF/yr:nt