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FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/11
 SPONSOR Garcia, M.H. LAST UPDATED 02/22/11 HB 24/aHJC
 SHORT TITLE Special Overweight Vehicle Permit Issuance SB _____
 ANALYST Wilson

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$8.0	\$16.0	Recurring	Road Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$15.0-\$25.0	\$15.0-\$25.0	\$45.0-\$75.0	Recurring	Road Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Border Authority (Authority)

Department of Transportation (DOT)

SUMMARY

Synopsis of HJC Amendment

The House Judiciary Committee amendment to House Bill 24 rewrites language in the bill that states that an applicant for a special permit to operate a vehicle or combination of vehicles with gross weight not exceeding 96,000 within six miles of a port of entry on the border with Mexico shall not be required to demonstrate to the Department of Public Safety that the load cannot be reduced as a condition of the issuance of the permit.

Synopsis of Original Bill

House Bill 24 authorizes by special permit the overweight operation of certain commercial vehicles entering New Mexico from Mexico within a six mile radius of a New Mexico

commercial border crossing. The proposed legislation extends special permitting currently authorized for non-reducible loads to certain reducible loads within six miles of the border area. The maximum authorized gross vehicle weight for eligible reducible loads will be 96,000 lbs.

Reducible loads are defined as any load which can be altered by reducing the quantity in a simple matter; i.e. sand v a bulldozer

FISCAL IMPLICATIONS

The Authority provided the following:

10 single permits a month or 120/year x \$25= \$3,000

20 annual permits a year x \$250= \$5,000

The Authority expects the numbers to double the following year.

DOT believes the increased permits will have a negligible impact on the lifespan of the roads in the area.

SIGNIFICANT ISSUES

Commercial vehicles in Mexico operate under different weight limits than vehicles operating in Texas and New Mexico. As a result, some vehicles with commercial reducible loads; e.g., construction tile or other building products, must be partially offloaded to current legal weight before crossing through border ports of entry. The offloaded product must then be reloaded onto a second commercial vehicle in Mexico before shipment across the border. The offloading, reloading, and use of additional transport adds significant costs for both Mexican producers and U.S. buyers.

The intent of the proposed legislation is to eliminate the Mexican offloading/reloading process with associated costs and allow affected loads to be delivered directly to warehouses, processing facilities, and logistics yards located near the border in New Mexico. The legislation will create a niche market with unique benefit to New Mexico--a land port--because overweight limits at nearby Texas ports in El Paso cannot be similarly increased because of federal weight restrictions on the bridges crossing the Rio Grande.

The expected outcome therefore is that new commercial activity with associated development and employment will be generated as affected traffic shifts to New Mexico ports. The Authority estimates that the proposed legislation will generate up to 50 new direct employment positions within the first year and should more than double within the following few years. The added activity will also enhance Santa Teresa as a truck logistics hub, as it will add traffic to the four major logistics facilities now located there.

In addition, the special permitting is expected to directly support bi-national transloading of commercial goods between truck and new rail facilities at Santa Teresa. The new Union Pacific yards offer unparalleled opportunities for cargo interchange with major industrial facilities in Ciudad Juarez and northern Mexico.

The maximum weight limit for proposed for authorization for certain reducible overweight vehicles is 96,000 lbs., approximately 10,000 lbs greater than the standard weight limit. It is significantly less than overweight maximums already permitted for non-reducible loads. Authorized vehicles will be five axle or greater.

All commercial vehicles passing through New Mexico border crossings are immediately subject to weight compliance verification and safety inspection at adjacent Motor Transportation Police Division (MTPD) ports identical to those on interstate highways, thus, compliance with the proposed regulations can be monitored by public safety officials already in place.

DOT provided the following:

Pavement serviceable life – increased loading on pavement roadway will lead to a shorter serviceable lifespan of the roadway and lead to an increase in the amount of maintenance required on the subject roadway sections. DOT will need to change its pavement designs on future projects in the subject geographical limits to account for heavier loads.

Structure Serviceable Life - There are three bridges in DOT's inventory within the subject geographical limits in the Santa Teresa area. A significant increase in the number of heavy loads crossing any structure will lead to a reduction in the serviceable lifespan of a structure and increase maintenance costs of these structures. No axle should exceed 23,000 lbs. and the vehicle should have no less than five axles.

DOT further notes that accommodating a foreign country's vehicles to New Mexico traffic laws will lead New Mexico and out of state trucking or heavy load hauling companies to request the same accommodations.

ADMINISTRATIVE IMPLICATIONS

The issuance of special weight permits and penalty assessments will be administered and processed by MTPD personnel in place and through the existing administrative system.

DW/mew:bym