

LFC Requester:

Joseph Simon

NMDOT BILL ANALYSIS
2024 REGULAR SESSION

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

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 X Amendment
Correction Substitute

Date February 1, 2024

Bill No. SB 262

Sponsor William Soules

Agency Name and Code Number: NMDOT - 805 - Rail Bureau

Short Title Study High-Speed Passenger Train

Person Writing Analysis: William Craven

Phone: (505) 629-3982 Email: William.craven@dot.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Table with 4 columns: Appropriation (FY25, FY26), Recurring or Non-Rec, Fund Affected. Values: FY25: 200, FY26: 0, Recurring or Non-Rec: Non-Rec, Fund Affected: General Fund

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 262 (SB 262) appropriates \$200,000 from the General Fund to NMDOT for expenditure in fiscal year 2025 to study the feasibility of constructing a high-speed passenger railroad in New Mexico.

FISCAL IMPLICATIONS

SB 262 appropriates \$200,000 from the General Fund to study the feasibility of constructing a high-speed passenger railroad in New Mexico. The \$200,000 appropriation is probably insufficient to complete a feasibility study.

SIGNIFICANT ISSUES

It is uncertain if the population served by a high-speed passenger rail line along the I-25 corridor within New Mexico, which would serve less than 1.5 million people, is sustainable.

United States – California, Texas, and Florida – will connect metropolitan areas with populations exceeding twenty-six (26) million, fourteen (14) million, and eleven (11) million, respectively. A high-speed passenger railroad that extends from El Paso, Texas to Denver, Colorado roughly along the I-25 corridor would include metropolitan areas totaling eight (8) million population, including Ciudad Juarez, Mexico service at the El Paso station. Service to a larger population base would increase sustainability but require cooperation with neighboring states.

PERFORMANCE IMPLICATIONS

SB 262 only appropriates funding for one fiscal year, with unburdened monies reverting to the General Fund. It is unlikely that a study could be completed in a single year. It is also probable that the process of putting the study out to bid would require additional experienced personnel.

ADMINISTRATIVE IMPLICATIONS

The study would draw resources away from other ongoing long term rail projects in the state.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 262 is similar to SB 59 from the 2023 legislative session and SB 203 from the 2022 legislative session. SB 262 is related to Senate Bill 226, which would appropriate funding for constructing a high-speed passenger railroad in New Mexico.

TECHNICAL ISSUES

None identified.

OTHER SUBSTANTIVE ISSUES

Other states have found development of high-speed passenger railroads to be a decades long undertaking. California's experience in developing a high-speed passenger railroad can be cited as an example of how long this can take. In 1993, California initiated a feasibility study for building a high-speed rail line between Northern and Southern California. After the study showed the line was feasible, environmental analyses were initiated in 2001, a ballot initiative to provide funding to support design and construction was approved in 2008, the first design-build contracts were awarded in 2013, and groundbreaking on the first construction project occurred in 2015. The first segment of the California high-speed passenger railroad, between Merced and Bakersfield, is not expected to become operational until 2030.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The NMDOT would not conduct a highspeed rail feasibility study.

AMENDMENTS

None suggested.