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HOUSE BILL

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO SCHOOLS; ALLOWING SCHOOL DISTRICTS TO USE PUBLIC FUNDS FOR ELECTRIC SCHOOL BUSES, CHARGING STATIONS AND RELATED INFRASTRUCTURE; ALLOWING SCHOOL DISTRICTS TO ENTER INTO AGREEMENTS FOR THE USE OF THEIR ELECTRIC SCHOOL BUSES AS ELECTRICAL ENERGY STORAGE FOR PROVIDING GRID SERVICES OR FOR USE BY SCHOOLS; ALLOWING SCHOOL BUSES TO BE REPLACED BY ELECTRIC SCHOOL BUSES; TASKING THE BOARD OF REGENTS OF NEW MEXICO STATE UNIVERSITY WITH CONDUCTING A STATEWIDE STUDY ON THE FEASIBILITY AND COSTS FOR EACH SCHOOL DISTRICT TO TRANSITION TO ELECTRIC SCHOOL BUSES AND PROVIDING A REPORT DETAILING THE NECESSARY STEPS AND COSTS FOR EACH SCHOOL DISTRICT TO MOST OPTIMALLY TRANSITION TO ELECTRIC SCHOOL BUSES; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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1 SECTION 1. ~~[NEW MATERIAL]~~ PUBLIC FUNDS FOR ELECTRIC
2 SCHOOL BUSES.--A school district may use public funds for the
3 purchase or lease of electric school buses, conversion of
4 diesel school buses to electric school buses, construction of
5 charging stations and related infrastructure for electric
6 school buses and enabling grid services.

7 SECTION 2. ~~[NEW MATERIAL]~~ ELECTRIC SCHOOL BUS ALTERNATIVE
8 USES--SUPERINTENDENT AGREEMENTS.--

9 A. Electric school buses owned, leased or purchased
10 by the state may, when not in use by the school district for
11 the transportation of students, be used as electrical energy
12 storage for:

- 13 (1) providing grid services; or
14 (2) use by schools to reduce daily electrical
15 demand and for electric supply in an emergency, as determined
16 and declared by the superintendent of the school district that
17 owns, leases or purchased the electric school bus.

18 B. Prior to an electric school bus or its battery
19 being used pursuant to this section, the superintendent of the
20 school district that owns, leases or purchased the electric
21 school bus shall negotiate an agreement with a school, electric
22 utility or cooperative service, in compliance with applicable
23 code and safety requirements, for the use, compensation or
24 testing of the bidirectional charging capability of the school
25 bus or its battery.

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1 SECTION 3. Section 22-8-27 NMSA 1978 (being Laws 1967,
2 Chapter 16, Section 77, as amended) is amended to read:

3 "22-8-27. TRANSPORTATION EQUIPMENT.--

4 A. The department shall establish a systematic
5 program for the purchase of necessary school bus transportation
6 equipment.

7 B. In establishing a system for the replacement of
8 school-district-owned buses, the department shall provide for
9 the replacement of school buses on a twelve-year cycle. School
10 districts requiring additional buses to accommodate growth in
11 the school district or to meet other special needs may petition
12 the department for additional buses. Under exceptional
13 circumstances, school districts may also petition the
14 department for permission to replace buses prior to the
15 completion of a twelve-year cycle or to use buses in excess of
16 twelve years contingent upon satisfactory annual safety
17 inspections.

18 C. In establishing a system for the use of
19 contractor-owned buses by school districts or state-chartered
20 charter schools, the department shall establish a schedule for
21 the payment of rental fees for the use of contractor-owned
22 buses. The department shall establish procedures to ensure the
23 systematic replacement of buses on a twelve-year replacement
24 cycle. School districts requiring additional buses to
25 accommodate growth in the school district or to meet other

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1 special needs may petition the department for additional buses.
2 Under exceptional circumstances, school districts may also
3 petition the department for permission to replace buses prior
4 to the completion of a twelve-year cycle or to use buses in
5 excess of twelve years contingent upon satisfactory annual
6 safety inspections.

7 D. The school district shall file a lien on every
8 contractor-owned school bus under the contract, which lien
9 shall have priority second only to a lien securing a purchase-
10 money obligation. The school district shall perfect its lien
11 on each contractor-owned school bus by filing the lien with the
12 motor vehicle division of the taxation and revenue department.
13 The lien shall be recorded on the title of the school bus. A
14 school bus contractor shall not refinance or use a school bus
15 on which a school district has a lien as collateral for any
16 other loan without prior written permission of the department.
17 A school bus lien shall be collected and enforced as provided
18 in Chapter 55, Article 9 NMSA 1978. The school district shall
19 release its lien on a school bus:

20 (1) when the department authorizes a
21 replacement of the school bus; or

22 (2) when the contractor has reimbursed the
23 school district the amount calculated pursuant to Subsection E
24 of this section if the school bus service contract is
25 terminated or not renewed and the contractor owes the school

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1 district as provided in that subsection.

2 E. No school district shall pay rental fees for any
3 one bus for a period in excess of five years. In the event a
4 school bus service contract is terminated or not renewed by
5 either party, the department shall calculate the remaining
6 number of years that a bus could be used based on a twelve-year
7 replacement cycle and calculate a value reflecting that use.
8 The school district shall deduct an amount equal to that value
9 from any remaining amount due on the contract, or if no balance
10 remains on the contract, the contractor shall reimburse the
11 school district an amount equal to the value calculated.

12 F. If the school district fails to take action to
13 collect money owed to it when a school bus contract is
14 terminated or not renewed, the department may deduct the amount
15 from the school district's transportation distribution.

16 G. The department shall provide the option to
17 replace a school bus with an electric school bus and to install
18 electric vehicle charging stations and related charging
19 infrastructure; provided that, if there are insufficient funds
20 to accommodate all requests for electric school buses, charging
21 stations or related infrastructure, priority shall be given to
22 school districts or contractors that have applied for a grant
23 or rebate for electric school buses and related charging
24 infrastructure from the United States environmental protection
25 agency and school districts or contractors that have existing

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1 electric vehicle charging stations and related infrastructure
2 or concrete plans for electric vehicle charging stations and
3 related infrastructure."

4 SECTION 4. TEMPORARY PROVISION--STATEWIDE STUDY ON
5 TRANSITION TO ELECTRIC SCHOOL BUSES.--

6 A. The board of regents of New Mexico state
7 university shall study and report on the feasibility and
8 requisite actions, costs and infrastructure for each school
9 district to transition to electric school buses and related
10 grants and incentive opportunities. The report shall include:

11 (1) an analysis of whether each school
12 district could feasibly use electric school buses, considering
13 the school bus route lengths and times and whether the school
14 district operates the school bus fleet or contracts for the
15 service; and

16 (2) for those school districts for which an
17 electric school bus fleet would be feasible:

18 (a) the costs for each school district
19 to purchase electric school buses or convert its existing fleet
20 to electric, build the necessary charging stations and charging
21 infrastructure and make the necessary electrical changes;

22 (b) an analysis of whether one-sided or
23 two-sided charging stations, to allow for public use, would be
24 possible and optimal; and

25 (c) a blueprint detailing the necessary

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1 steps for each school district to most optimally transition to
2 an electric school bus fleet.

3 B. By August 1, 2025, the report shall be completed
4 and copies transmitted to the secretary of public education,
5 the superintendent of each school district and the chairs of
6 the legislative education study committee, the science,
7 technology and telecommunications committee and the
8 transportation infrastructure revenue subcommittee.

9 SECTION 5. APPROPRIATIONS.--

10 A. Fifty million dollars (\$50,000,000) is
11 appropriated from the general fund to the public education
12 department for expenditure in fiscal year 2025 and subsequent
13 fiscal years for electric school buses, electric vehicle
14 charging stations for electric school buses and related
15 charging infrastructure. Any unexpended or unencumbered
16 balance remaining at the end of a fiscal year shall not revert
17 to the general fund.

18 B. Four hundred thousand dollars (\$400,000) is
19 appropriated from the general fund to the board of regents of
20 New Mexico state university for expenditure in fiscal years
21 2024 and 2025 to conduct the study and prepare the report
22 pursuant to Section 4 of this act. Any unexpended or
23 unencumbered balance remaining at the end of fiscal year 2025
24 shall revert to the general fund.

25 C. One hundred thousand dollars (\$100,000) is

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1 appropriated from the general fund to the public education
2 department for expenditure in fiscal year 2025 for the state
3 transportation division to develop expertise on electric buses,
4 charging stations, related infrastructure and electrical
5 changes, share this expertise with school districts and assist
6 school districts with federal grant applications for electric
7 school buses, charging stations and related infrastructure and
8 electrical changes. Any unexpended or unencumbered balance
9 remaining at the end of fiscal year 2025 shall revert to the
10 general fund.