

State Road Fund Revenue & National Transportation Revenue Comps

Ricky Serna, Secretary
Michael Morrison, Chief Economist

August 14, 2025



New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE





Agency Vision Statement:

Set the standard for a safe, reliable, and efficient transportation system.

Mission Statement

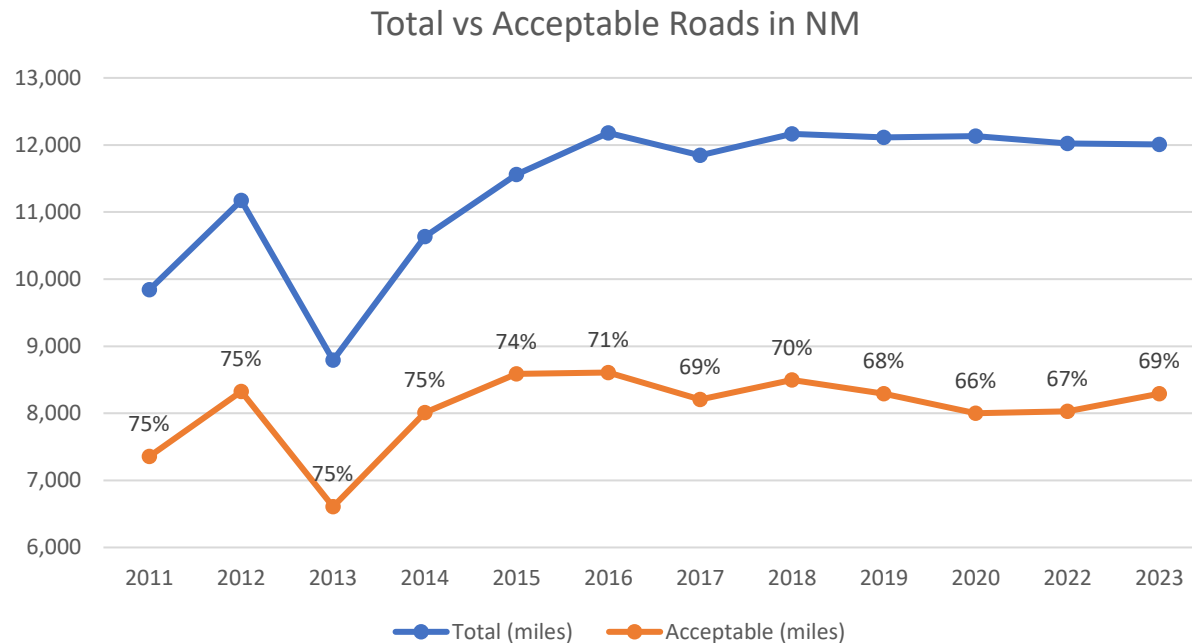
Provide a safe and efficient transportation system for the traveling public, while promoting economic development and preserving the environment of New Mexico.

Department of Transportation by the Numbers

- More than 2,500 employees
- Budget for FY 25 at \$1.3 billion
- 77 active projects totaling approx. \$1.4 billion
- 31 rest areas
- 82 patrols
- 11,873 centerline miles of highway infrastructure statewide
- 34 construction crews
- 28 construction offices

NM Road Conditions

- ❖ 2025 New Mexico TRIP report found that New Mexico's deteriorated roads cost New Mexicans **\$3.6 billion annually** (\$1.6 billion in vehicle operating costs; \$829 million in safety costs; and \$1.2 billion in congestion costs).
- ❖ **\$5.6 billion** in needed but unfunded transportation projects.

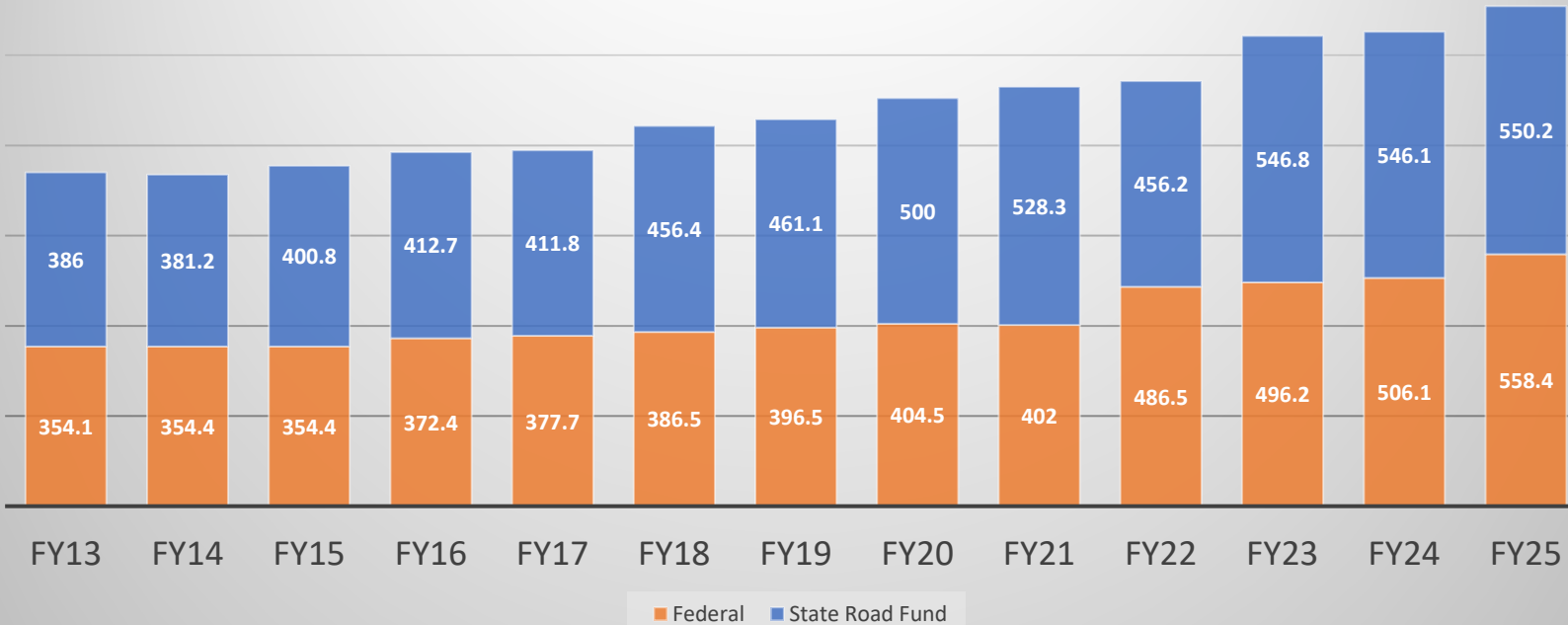


- ❖ The percentage of acceptable roads in New Mexico has decreased from **75% in 2011 to 69% in 2023**.
- ❖ IHS Markit study found highway and bridge improvement multiplier of 3.4
 - Every \$1 of highway and bridge improvement spending leads to \$3.40 increased output

Operating Budget – State and Federal



Op Bud Revenue FY13 - FY25
(in millions)



❖ NMDOT’s operating budget is the sum of state tax distributions and federal apportionments.

❖ NMDOT’s operating budget for FY25 was about \$1.3B

Funding Overview

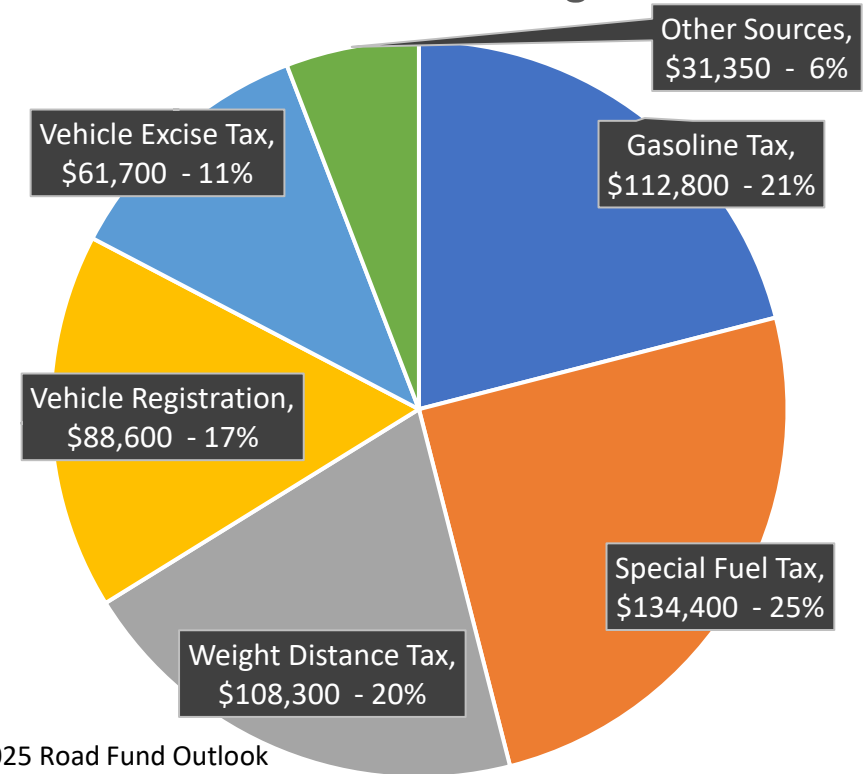


❖ NMDOT receives funding from two main sources, the Federal Government and the State Road Fund.

- In FY25 the NMDOT received about **\$558.4** million in Federal Funding
- In FY25 the State Road Fund received about **\$537.2** million in revenue from several state tax programs

- Gasoline Tax
- Special Fuel Tax
- Weight Distance Tax
- Vehicle Registration
- Motor Vehicle Excise Tax
- and other sources

State Road Fund Recurring Revenues



*Based on NMDOT's July 2025 Road Fund Outlook

One-Time Appropriations (GF/ARPA) 2019 – 2024



Between 2019 and 2024, NMDOT has received \$2.1B in non-recurring appropriations. To date, we have spent or obligated 97% of those allocations.

The agency received an additional \$189.5M in 2025 which became available July 1 of this year.

Appropriation Focus	Allocated	Expended	Obligated	Remaining
Maintenance	\$425,000,000.00	\$356,527,312.70	\$54,379,297.58	\$14,093,389.72
Construction	\$1,312,000,000.00	\$862,592,359.77	\$410,597,128.87	\$38,810,511.36
Transportation Project Fund	\$231,000,000.00	\$231,000,000.00	\$0.00	\$0.00
Aviation	\$99,000,000.00	\$52,663,937.58	\$45,656,384.31	\$679,678.11
Wildlife Corridors	\$12,000,000.00	\$2,245,883.54	\$1,469,811.86	\$8,284,304.60
Litter/Beautification	\$20,000,000.00	\$15,138,872.33	\$4,275,403.45	\$585,724.22
Equipment	\$9,000,000.00	\$9,000,000.00	\$0.00	\$0.00
Ports of Entry	\$7,000,000.00	\$2,271,589.18	\$658,027.61	\$4,070,383.21
Rest Areas	\$20,000,000.00	\$12,204,398.72	\$7,795,601.28	\$0.00
EV Charging Stations	\$10,000,000.00	\$9,632,359.39	\$367,640.61	\$0.00
	\$2,145,000,000.00	\$1,553,276,713.21	\$525,199,295.57	\$66,523,991.22

State Road Fund Short Run Forecast



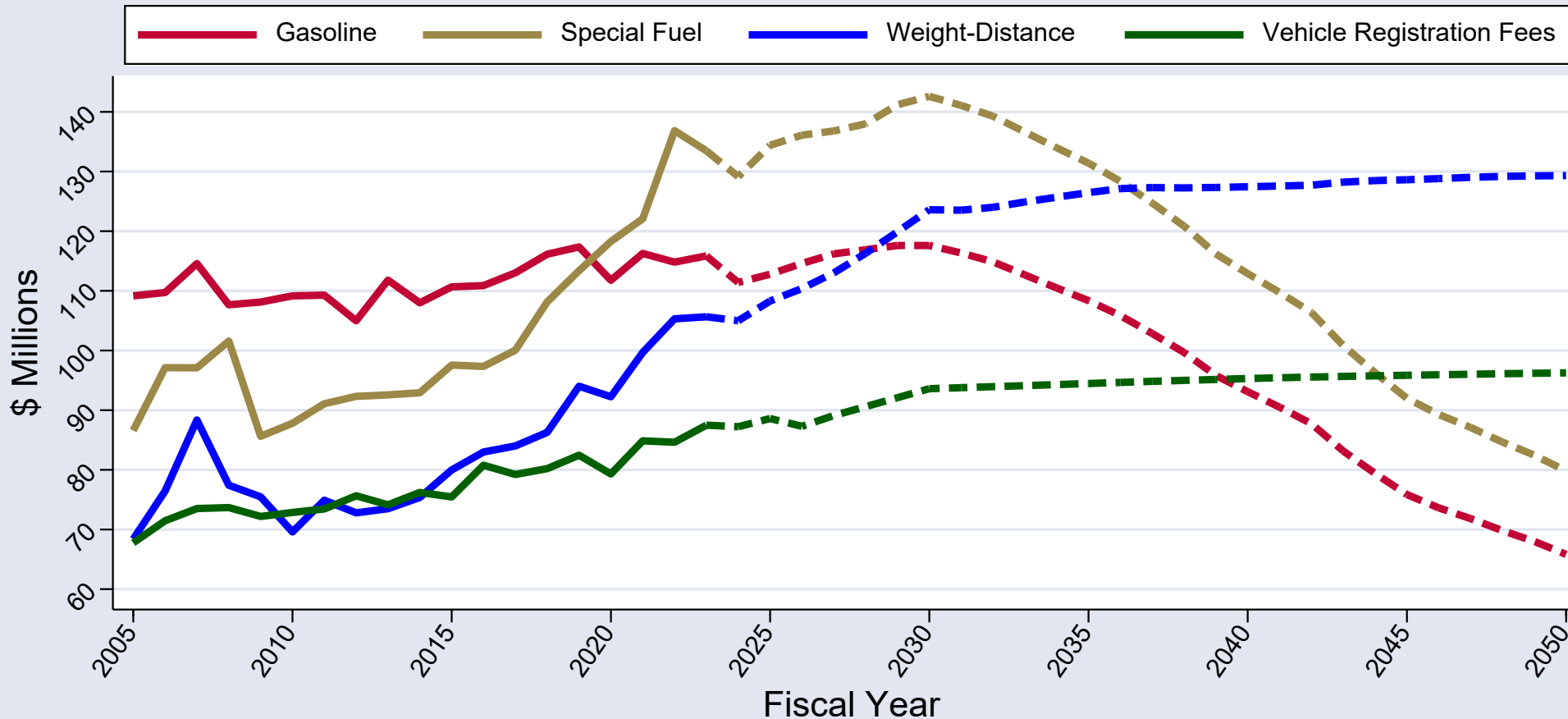
	FY24	FY25		FY26		FY27	FY26 to FY27		FY28	FY29	FY30
	Actual	Jan-24 Leg. Bud Estimate	Jul-25 Revenue Update	Jan-25 Leg. Bud Estimate	Jul-25 Revenue Update	Jul-25 Bud. Req Estimate	Budget Growth		Jul-25 Long Run Estimate	Jul-25 Long Run Estimate	Jul-25 Long Run Estimate
		\$ Change	% Diff								
<i>(Dollars in thousands)</i>											
Road Fund:											
Road Fund -- Ordinary Revenue:											
1 Gasoline Tax	110,070	114,700	112,800	114,600	114,600	116,200	1,600	1.4%	116,900	117,600	117,600
2 Special Fuel Tax	125,686	134,900	134,400	128,800	136,100	136,800	8,000	6.2%	138,000	141,200	142,600
3 Weight/Distance	104,869	108,700	108,300	114,900	110,400	113,000	(1,900)	-1.7%	116,300	119,900	123,600
4 Vehicle Registration	87,230	87,100	88,600	90,300	87,300	89,100	(1,200)	-1.3%	90,600	92,100	93,600
5 Trip Tax	7,788	8,440	6,470	7,700	6,840	7,200	(500)	-6.5%	7,500	7,900	7,800
6 Driver's License	4,416	4,270	4,820	4,420	4,640	4,640	220	5.0%	4,600	4,700	4,660
7 Oversize/Overweight	8,103	7,230	9,550	7,860	10,070	9,970	2,110	26.8%	10,160	10,260	10,310
8 Public Regulatory Commission Fees (UCR)	3,357	3,300	3,300	3,300	3,300	3,300	-	0.0%	3,300	3,300	3,300
9 MVD Miscellaneous	5,773	5,140	6,080	5,800	5,570	5,770	(30)	-0.5%	5,840	5,810	5,810
10 Vehicle Transaction	1,084	1,110	1,130	1,100	1,100	1,100	-	0.0%	1,100	1,100	1,110
11 Motor Vehicle Excise Tax*	61,253	61,250	61,700	61,370	58,700	62,400	1,030	1.7%	65,000	67,600	69,000
12 Subtotal Ordinary Income	519,629	536,140	537,150	540,150	538,620	549,480	9,330	1.7%	559,300	571,470	579,390
Road Fund -- Extraordinary Income:											
13 All Other (Reimbursements, Asset Sales, etc.)	13,998	3,627	8,300	6,200	8,300	9,200	3,000	48.4%	8,760	9,710	8,850
14 Rail Runner Track Maintenance Fees	2,995	4,230	4,000	4,200	4,200	4,100	(100)	-2.4%	3,900	3,840	4,010
15 Road Fund Interest	12,733	6,170	13,400	11,320	11,000	7,600	(3,720)	-32.9%	7,400	6,900	7,400
16 EV Charging	26	-	25	25	25	25	-	0.0%	25	25	25
17 Subtotal Extraordinary Income	29,752	14,027	25,725	21,745	23,525	20,925	(820)	-3.8%	20,085	20,475	20,285
18 TOTAL (Recurring) ROAD FUND	532,362	550,167	562,875	561,895	562,145	570,405	8,510	1.5%	579,385	591,945	599,675
19 WIPP Settlement (Nonrecurring)	-	-	-	-	-	-	-	-	-	-	-
20 Motor Vehicle Excise Tax to D2 (1% point) in FY20-21	-	-	-	-	-	-	-	-	-	-	-
21 TOTAL ROAD FUND	532,362	550,167	562,875	561,895	562,145	570,405	8,510	1.5%	579,385	591,945	599,675

*0.12% points till FY21; 0.87% points in FY22 and thereafter

State Road Fund Long Run Forecast



Four Major State Road Fund Revenue Sources



Short-term transition to more fuel-efficient vehicles, and long-term transition to alternative fuel vehicles will lead to declining gasoline and special fuels tax revenues.

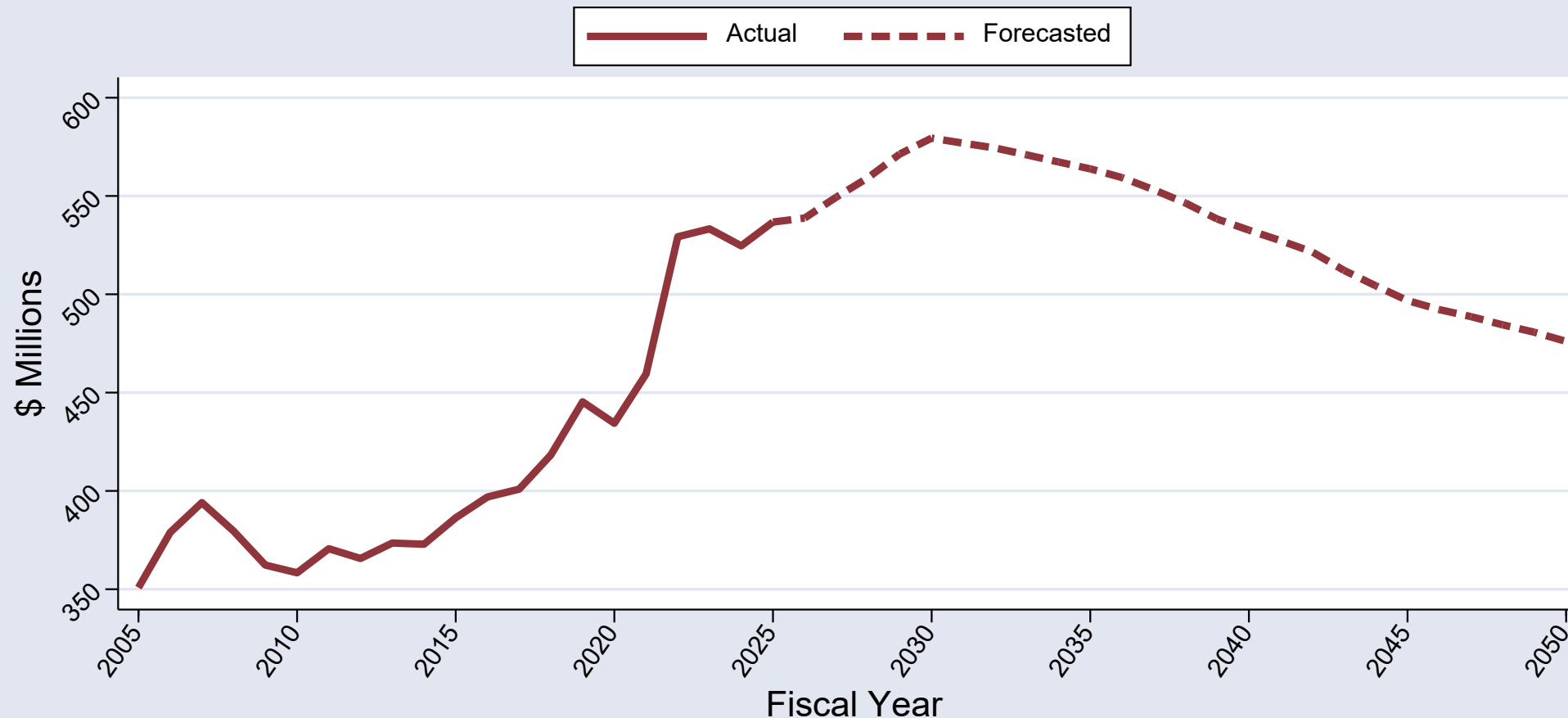
Near term forecast based on NMDOT's July 2025 Road Fund Outlook.
Longer term forecast based on projections from S&P Global.

State Road Fund Long Run Forecast



New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE

Total State Road Fund Revenues



❖ Total nominal State Road Fund revenues grew rapidly from FY 19-22 due to an additional MVX distribution

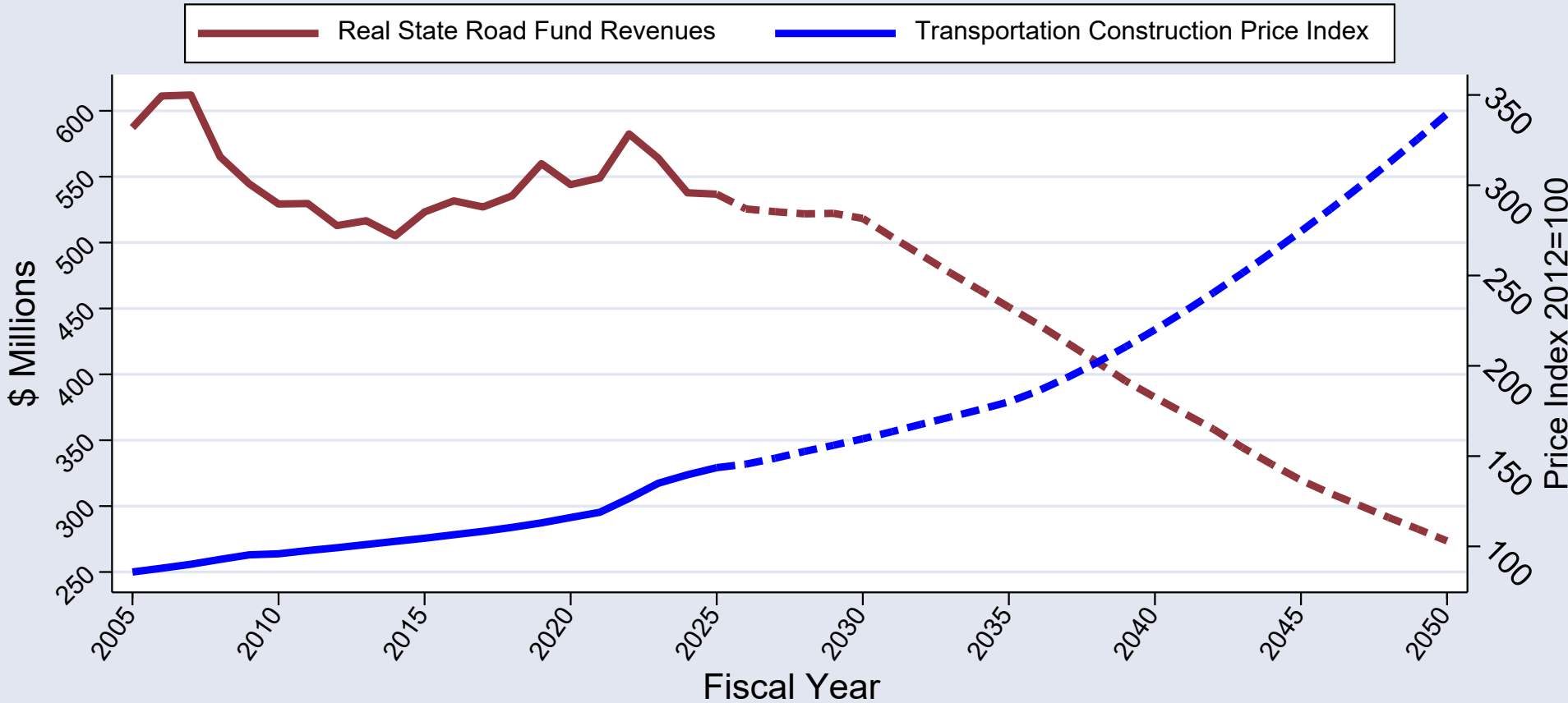
- ❖ Nominal State Road Fund revenues are expected to decline **13% by 2050** after:
- Increase **5% by 2030**.
 - Decline **7% from 2030 to 2040**.
 - Decline another **10.5% between 2040 and 2050**.

Near term forecast based on NMDOT's July 2025 Road Fund Outlook.
Longer term forecast based on projections from S&P Global.

Increasing REAL Cost Of State Road Construction



Real State Road Fund Revenues and Transportation Construction Price Index



- ❖ Road construction costs are expected to grow 136% between 2025 and 2050. 5.5% average annual growth rate.
- ❖ Real State Road Fund recurring revenue is expected to shrink 50% between 2025 and 2050. -2.0% average annual growth rate

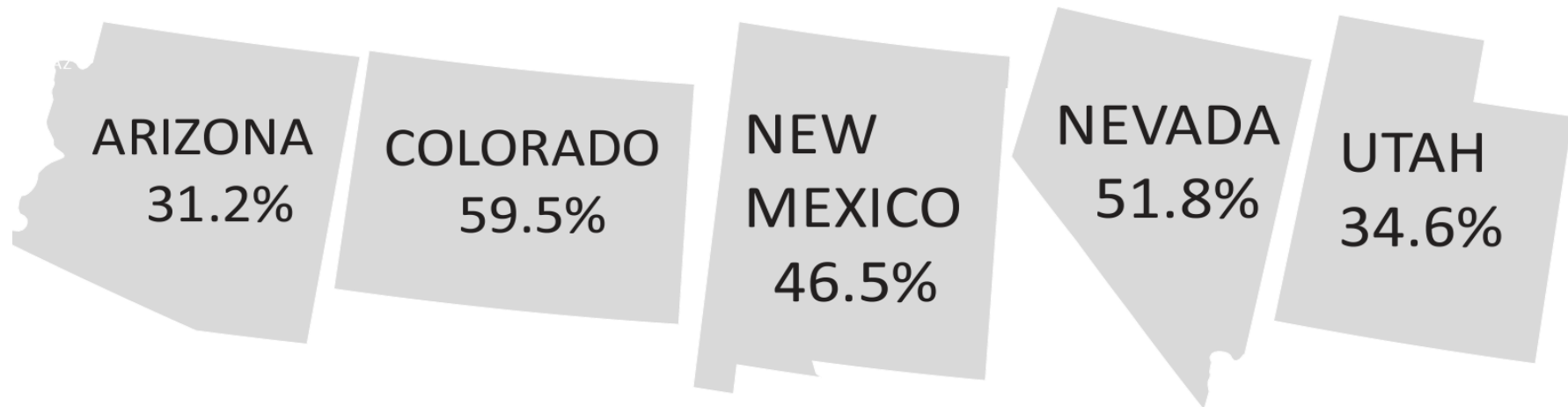
Road Fund: Near term forecast based on NMDOT's July 2025 Road Fund Outlook. Longer term forecast based on projections from S&P Global. State Road Fund Revenues in 2025 dollars. Sources: BEA, S&P Global

Percentage of State Transportation Fund Revenue from Fuel Taxes (Nationally)

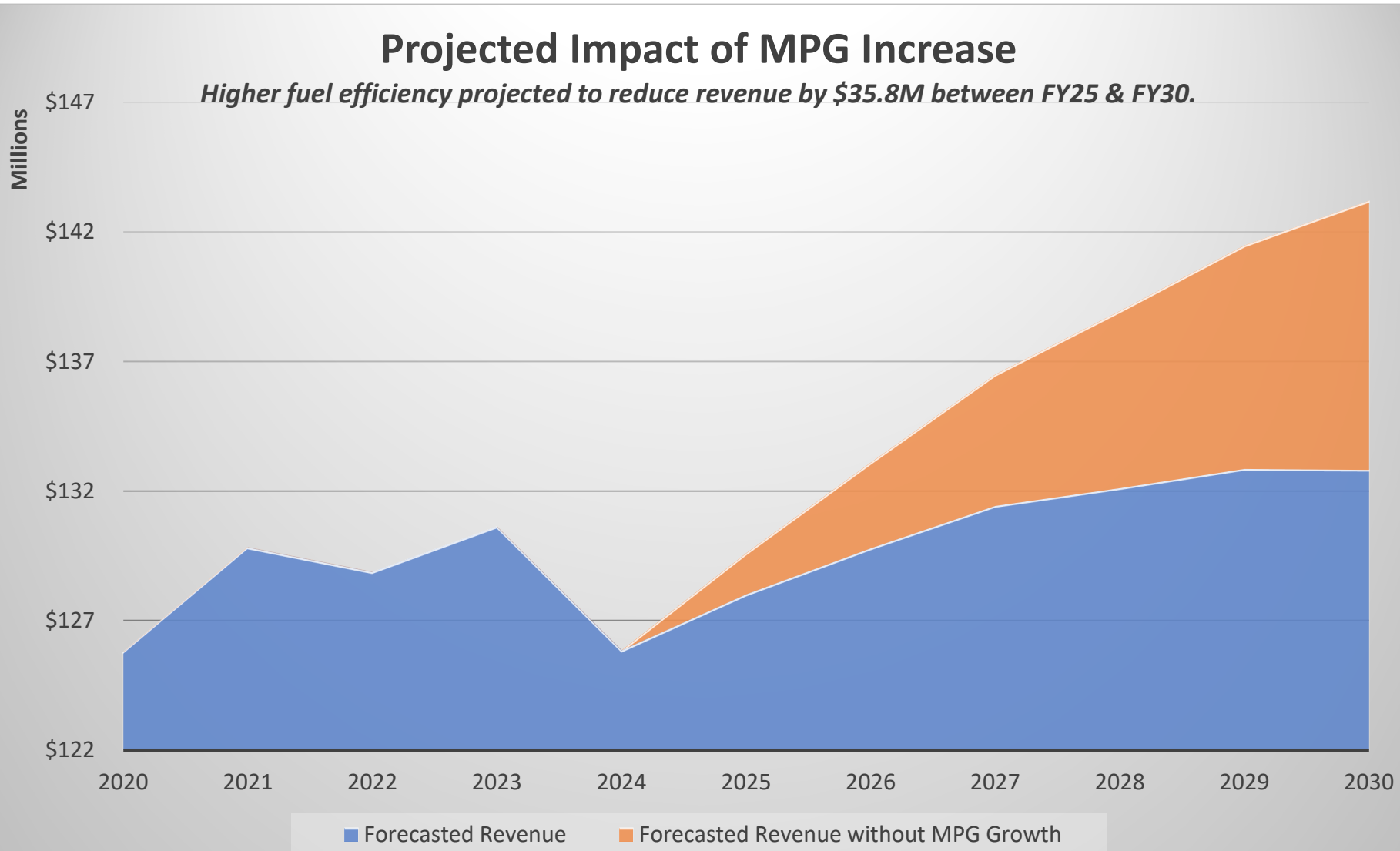


❖ Nationally, Motor Fuel Taxes comprised 41.1% of state transportation fund revenue in 2016, compared to 37.6% in 2023.

- License and Registration Fees = 19.7%
- Other Revenue = 30.1%
- Vehicle Sales and Use Tax = 11.2%
- Tolls = 1.4%



Forecasted Fiscal Impact of MPG Growth on State Road Fund



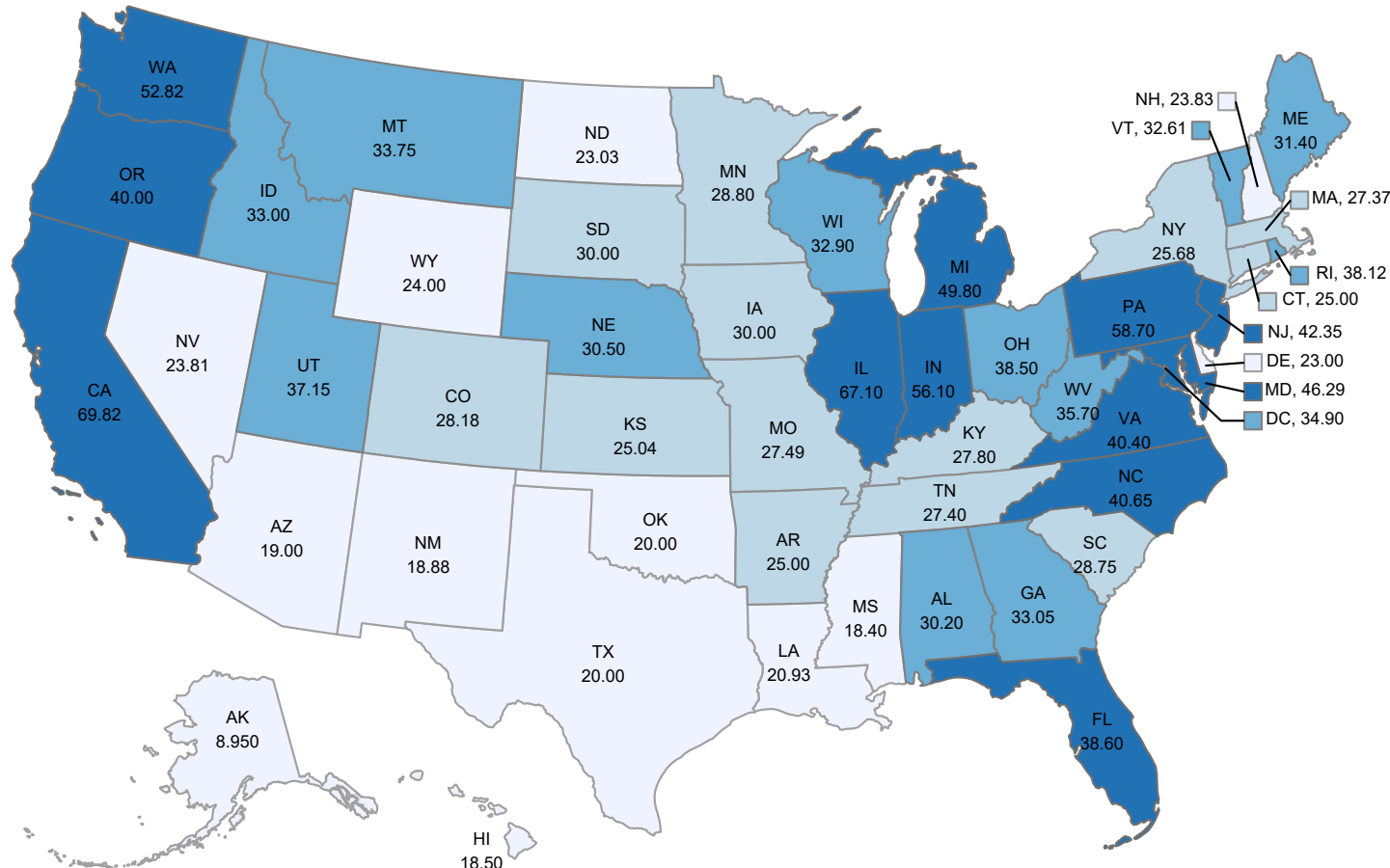
❖ Orange area shows the forecasted revenue lost due to increased MPG from 22.14 in FY24 to 23.87 by FY30 (7.8%).

- Total impact: **-\$35.8M (FY24-FY30)**
- Assuming MPG remained constant from FY24 onward compared to forecasted gasoline revenue.

Gasoline Taxes by State



Gasoline Motor Fuel Taxes per Gallon as of January 1, 2025



- ❖ New Mexico is the 4th lowest in the nation.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).
- ❖ Every \$0.01 increase in gasoline tax would result in \$6.8 million new revenue annually.

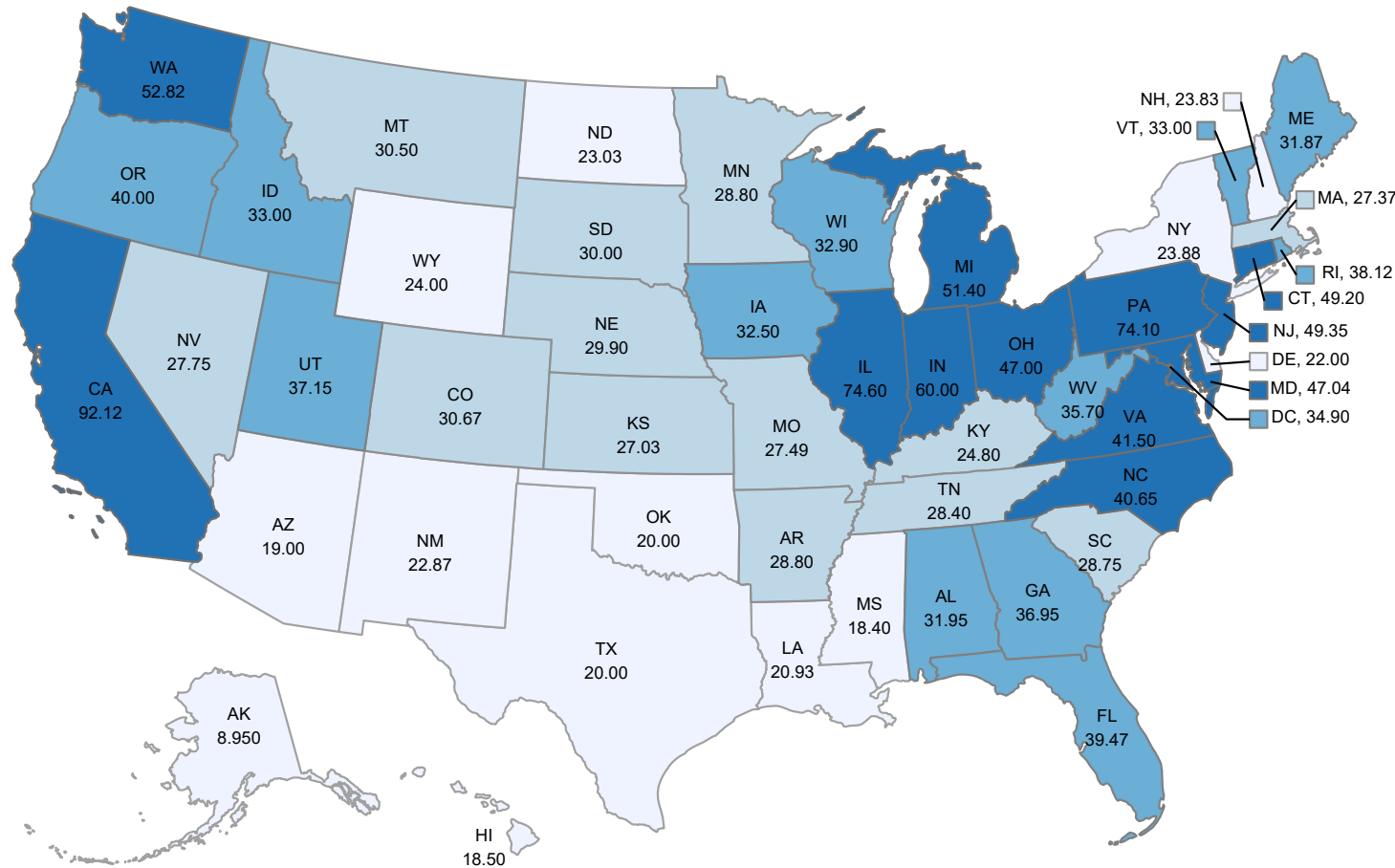
Note: NMDOT's elaboration on Energy Information Administration data

The Federal Excise Tax on Gasoline is 18.4 cents per gallon

Diesel Taxes by State



Diesel Motor Fuel Taxes per Gallon as of January 1, 2025



- ❖ New Mexico is the 9th lowest in the nation.
- ❖ New Mexico is 4th lowest among neighboring states (AZ, UT, CO, OK, TX).
- ❖ Every \$0.01 increase in diesel tax would result in \$6.6 million new revenue annually.

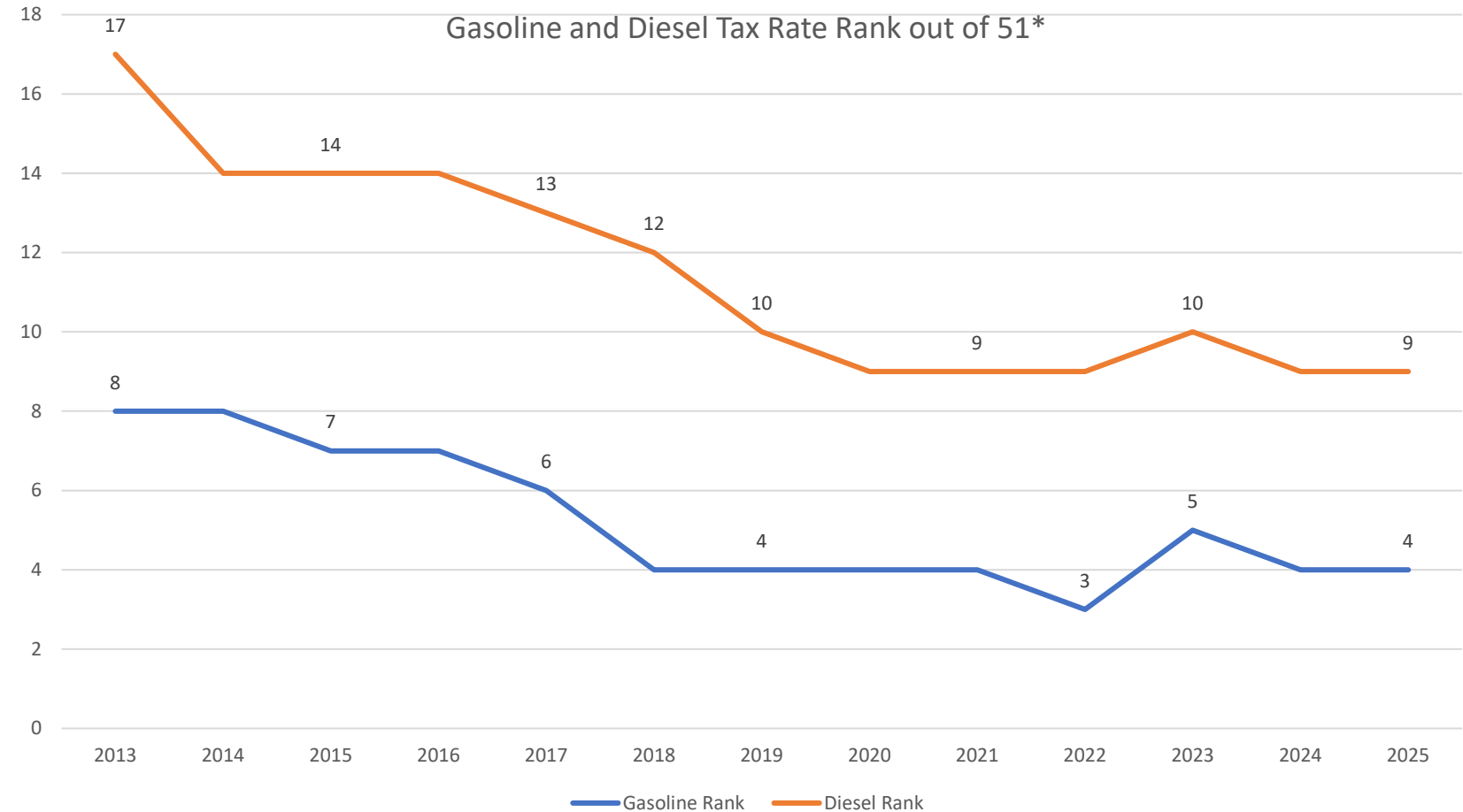
Note: NMDOT's elaboration on Energy Information Administration data

The Federal Excise Tax on Diesel is 24.4 cents per gallon

New Mexico Gasoline and Special Fuel Tax Ranking Over Time



- ❖ New Mexico's motor fuel tax rates are moving towards the lowest in the nation.
- ❖ The Gasoline Tax rate has dropped
 - from 8th lowest in 2013
 - to 4th lowest in 2025
- ❖ The Diesel Tax Rate has dropped
 - from 17th lowest in 2013
 - to 9th lowest in 2025



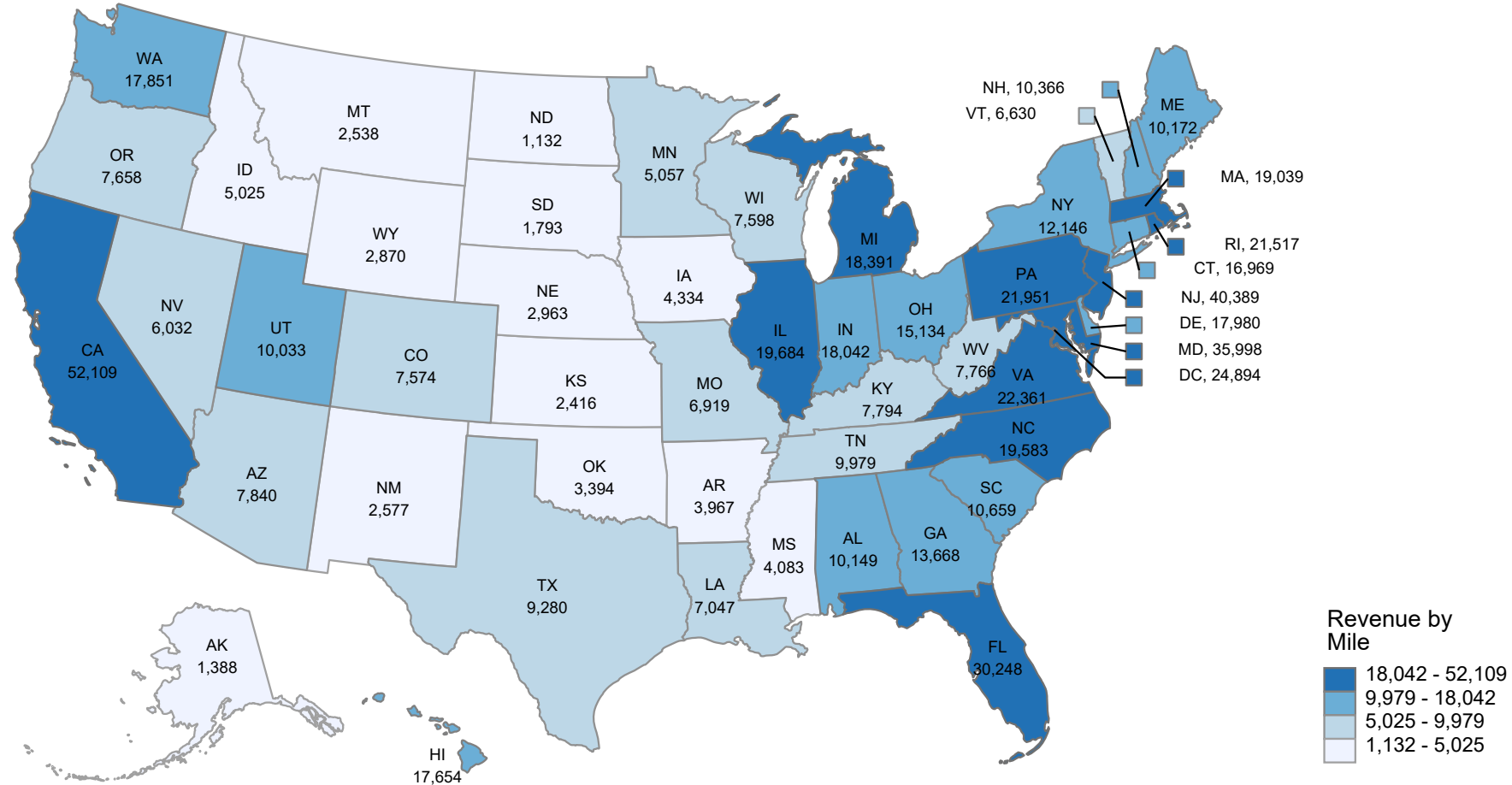
* Out of 50 states and the District of Columbia

Gasoline Revenue per Lane Mile by State



New Mexico DEPARTMENT OF **TRANSPORTATION**
MOBILITY FOR EVERYONE

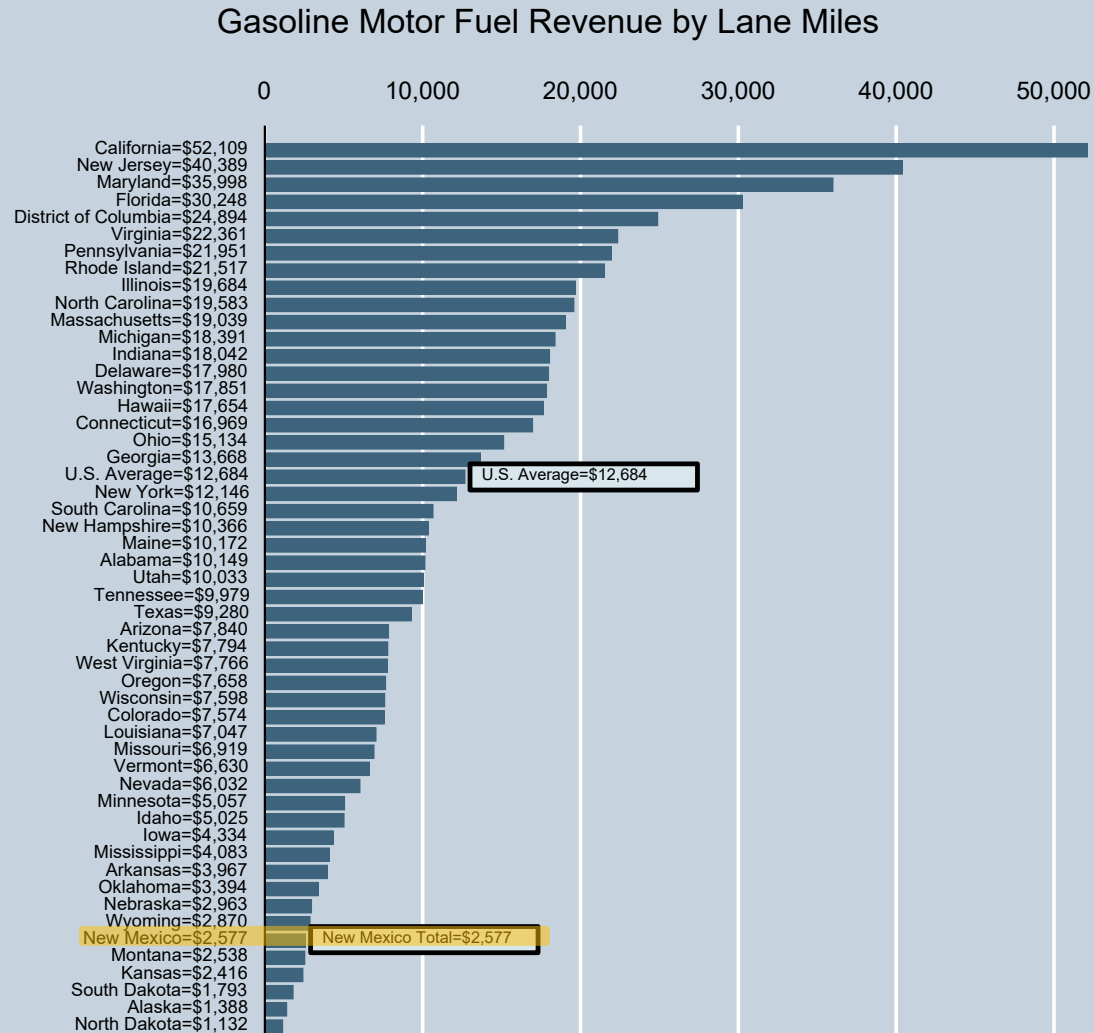
Gasoline Motor Fuel Revenue by Lane Miles



Note: NMDOT's elaboration on Energy Information Administration and Federal Highway Administration data

The Federal Excise Tax on Gasoline is 18.4 cents per gallon
As of January 1, 2023

Gasoline Revenue per Lane Mile by State



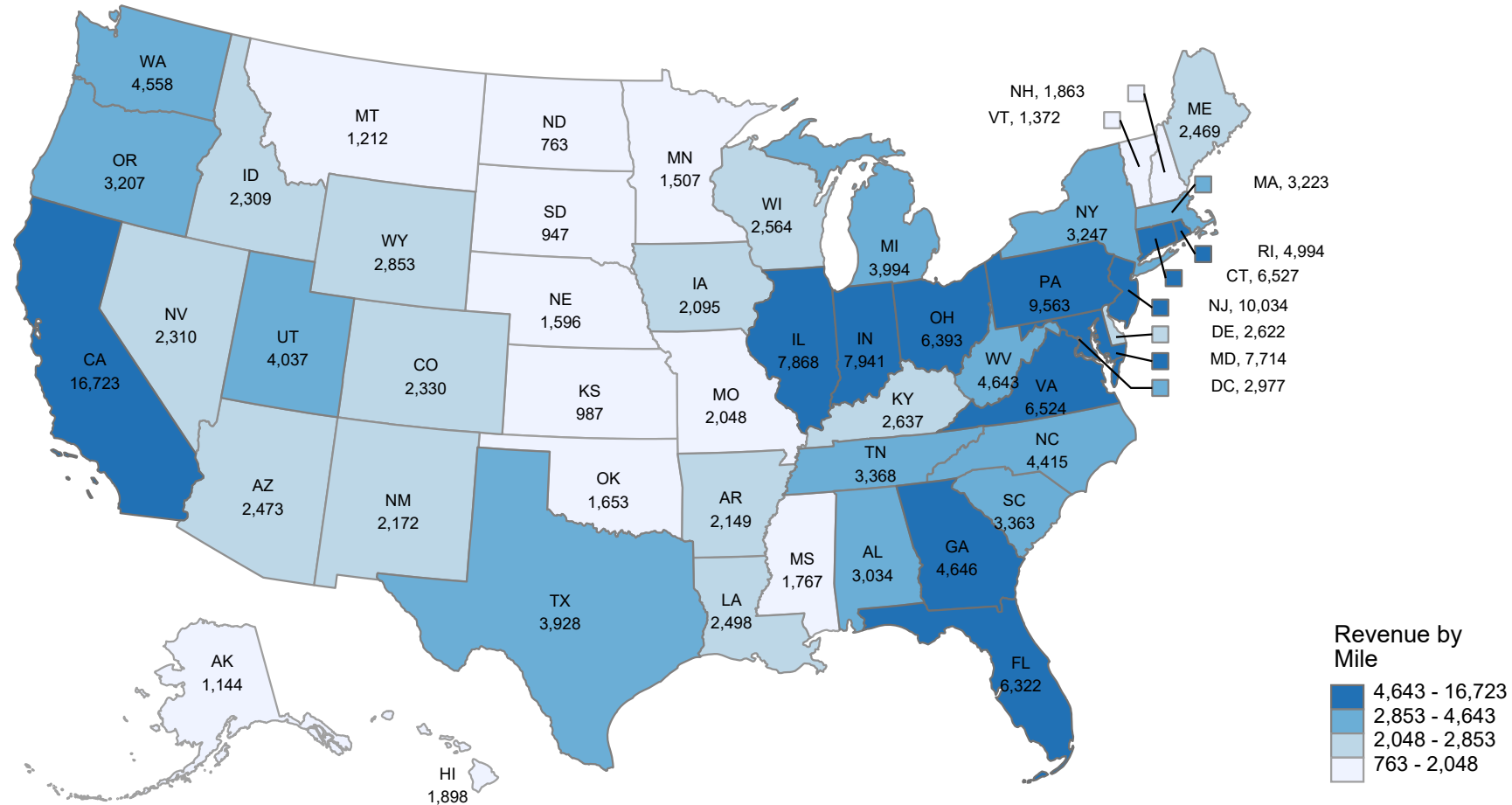
- ❖ New Mexico is the 6th lowest in the nation.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).

Note: NMDOT's elaboration on USDOT Highway Statistics Series and Energy Information Administration data As of January 1, 2023

Diesel Revenue per Lane Mile by State



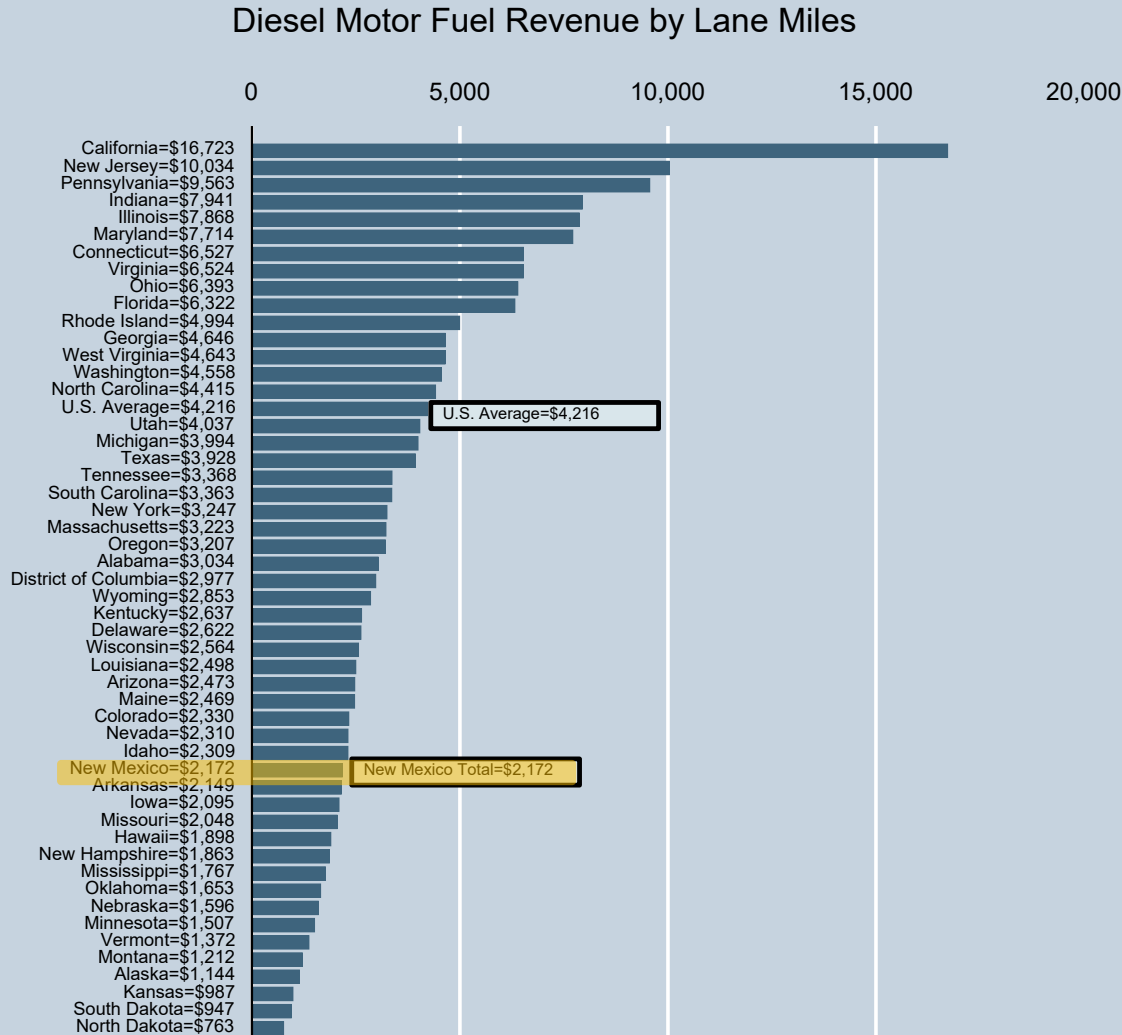
Diesel Motor Fuel Fuel Revenue by Lane Mile



Note: NMDOT's elaboration on Energy Information Administration data

The Federal Excise Tax on Diesel is 24.4 cents per gallon
As of January 1, 2023

Diesel Revenue per Lane Mile by State



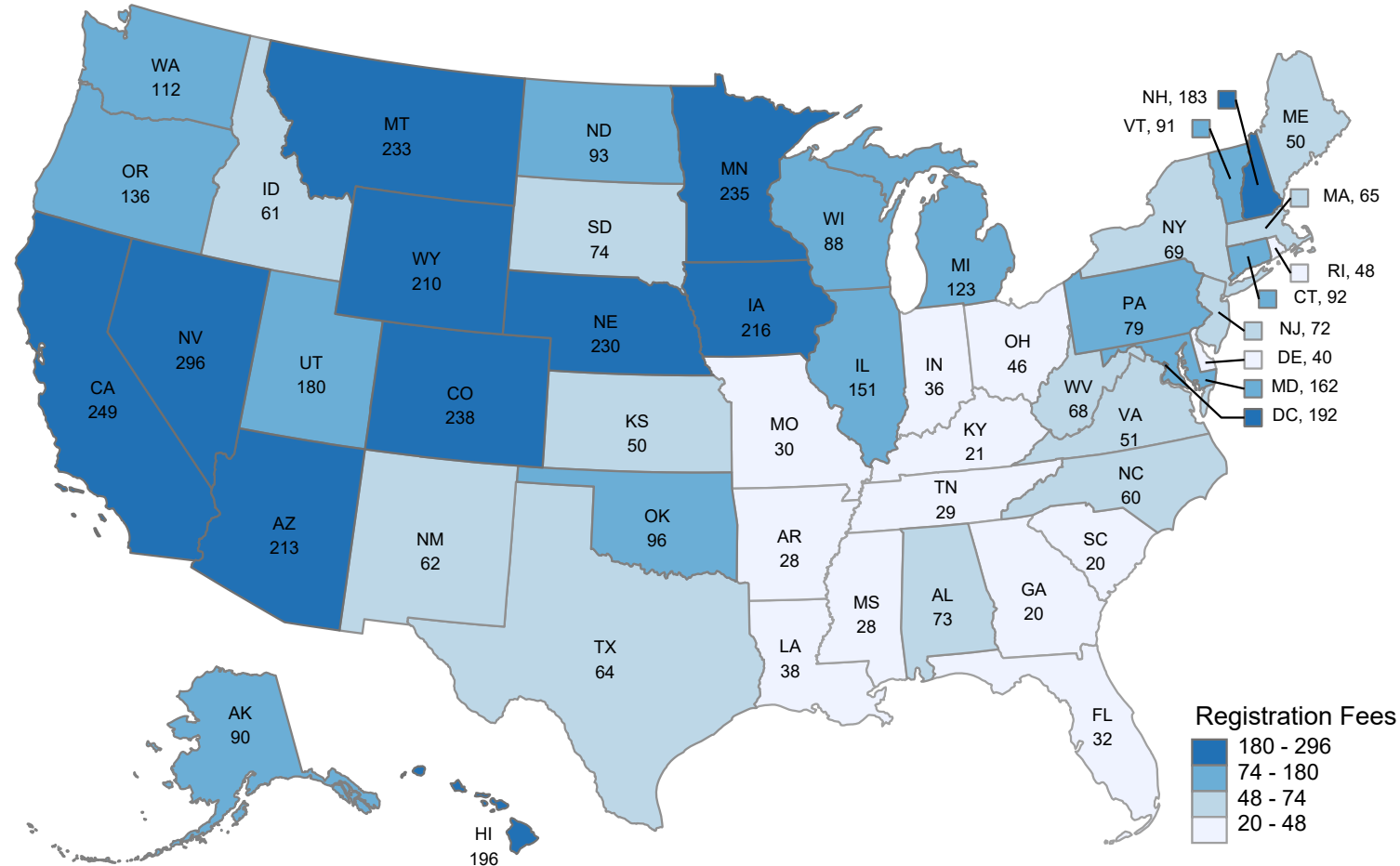
- ❖ New Mexico is the 16th lowest in the nation.
- ❖ New Mexico is 2nd lowest among neighboring states (AZ, UT, CO, OK, TX).
- ❖ Higher revenue is driven by importance of I-40, I-10 and I-25 as freight corridors.

Note: NMDOT's elaboration on USDOT Highway Statistics Series and Energy Information Administration data As of January 1, 2023

Newer Passenger Vehicle Registration by State



Registration Fees on Newer Passenger Vehicles as of Jan 2025



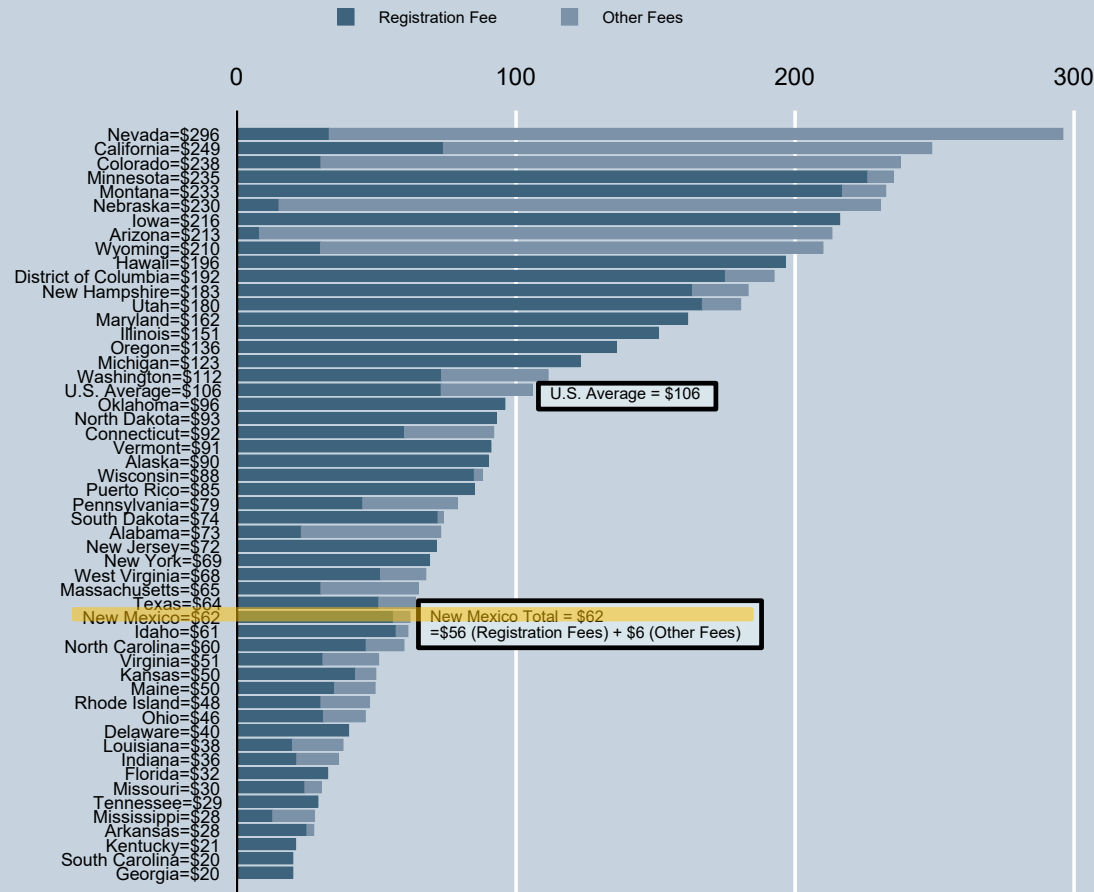
Notes:
 U.S. Average Registration Fees are \$106
 Where applicable, fees are for a 4 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.

NMDOT's elaboration on data from other states' Departments of Transportation

Newer Passenger Vehicle Registration by State



Registration Fees on Newer Passenger Vehicles as of Jan 2025



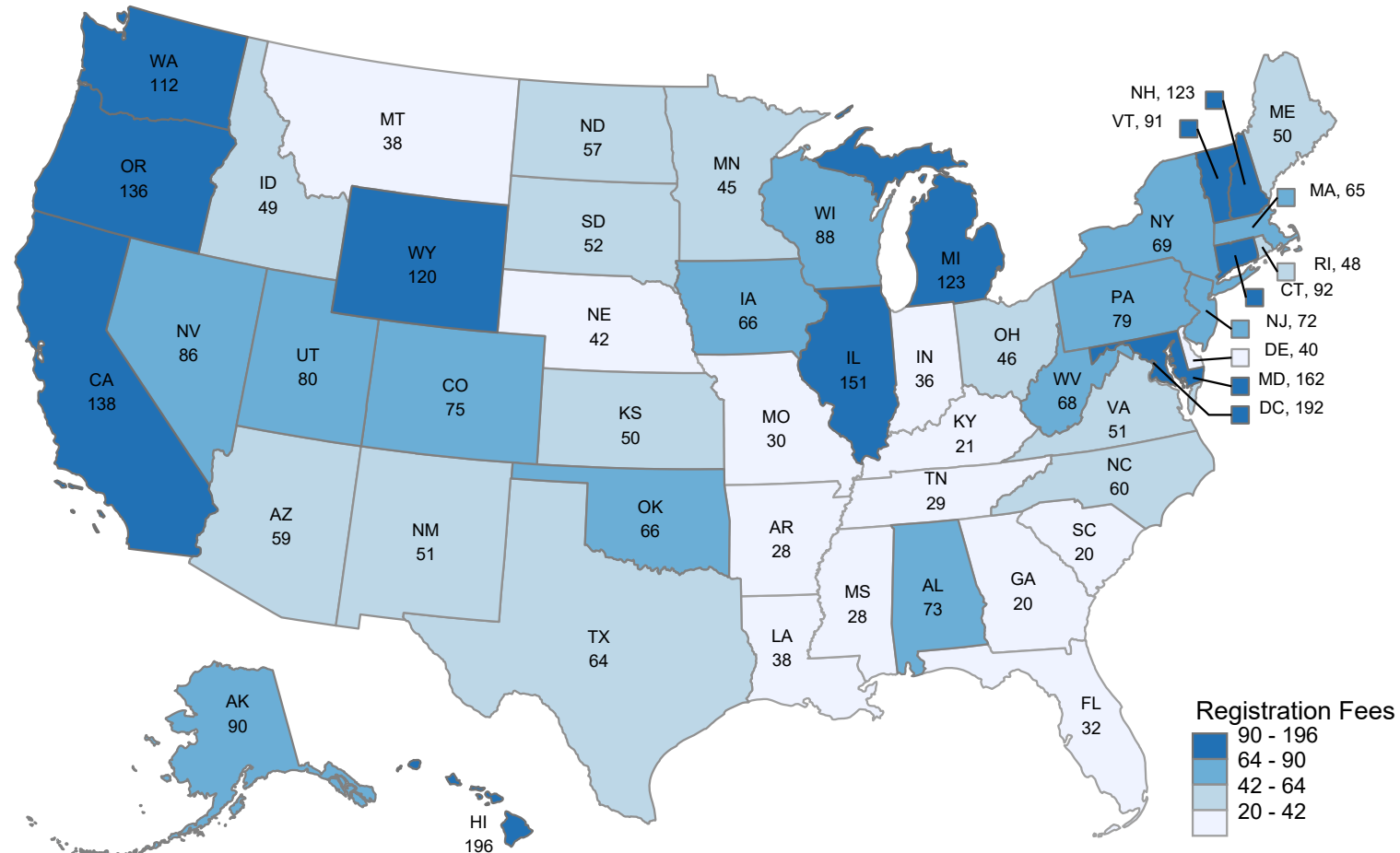
Notes:
 U.S. Average Registration Fees are \$106
 Where applicable, fees are for a 4 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.
 NMDOT's elaboration on data from other states' Departments of Transportation

- ❖ New Mexico is the 19th lowest in the nation.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).

Older Passenger Vehicle Registration by State



Registration Fees on Older Passenger Vehicles as of Jan 2025



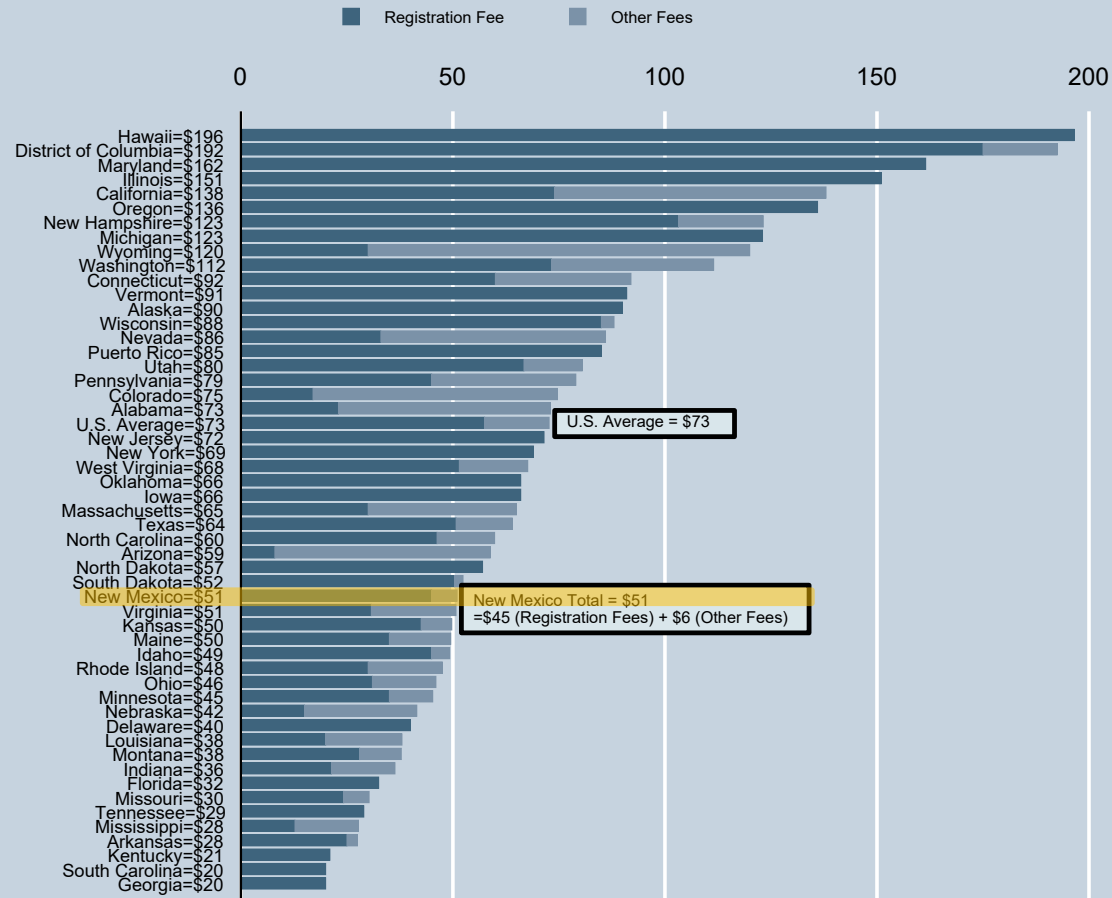
Notes:
 U.S. Average Registration Fees are \$73
 Where applicable, fees are for a 12 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.

NMDOT's elaboration on data from other states' Departments of Transportation

Older Passenger Vehicle Registration by State



Registration Fees on Older Passenger Vehicles as of Jan 2025



Notes:
 U.S. Average Registration Fees are \$73
 Where applicable, fees are for a 12 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.

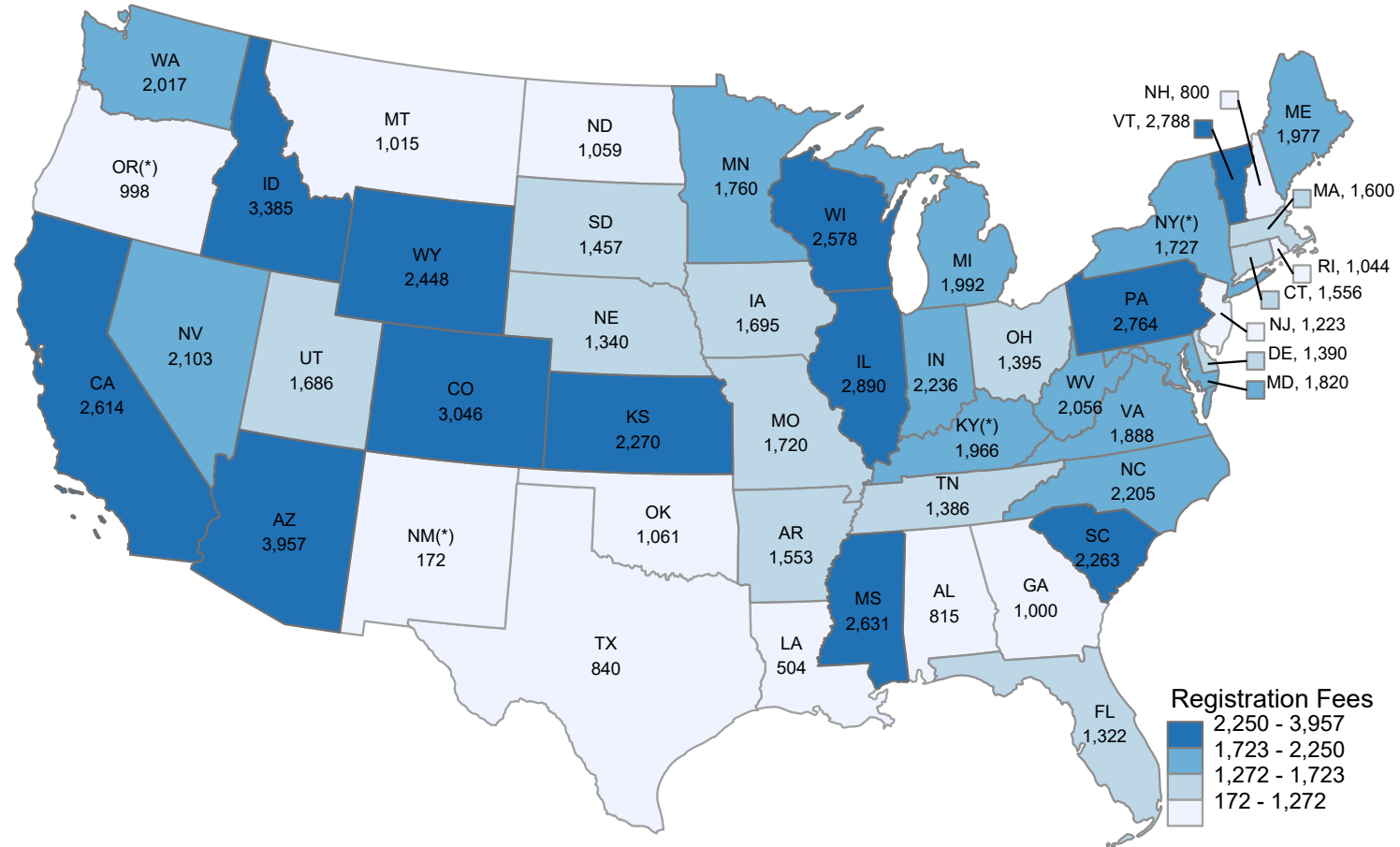
NMDOT's elaboration on data from other states' Departments of Transportation

- ❖ New Mexico is the 21st lowest in the nation.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).

Heavy Truck Registration by State



Registration Fees on Heavy Trucks as of Jan 2025



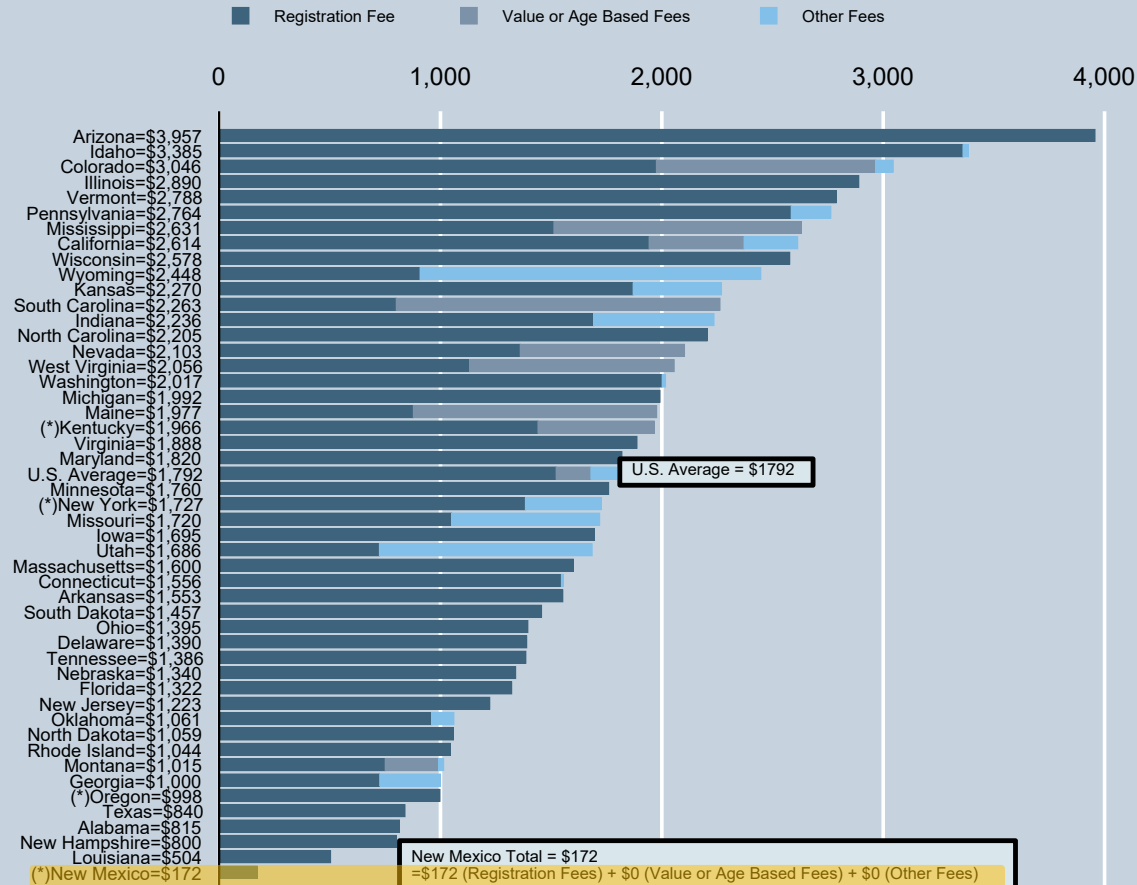
Notes:
 (*) indicates Weight-Distance Tax states.
 U.S. Average Registration Fees are \$1,792
 Where applicable, fees are for a truck with a gross vehicle weight of at least 80,000 lbs, value of \$110,000, in its 4th year of acquisition.

NMDOT's elaboration on data from International Registration Plan, INC.

Heavy Truck Registration by State



Registration Fees on Heavy Trucks as of Jan 2025



Notes:
 (*) indicates Weight-Distance Tax states.
 U.S. Average Registration Fees are \$1,792
 Where applicable, fees are for a truck with a GVW of at least 80,000 lbs, value of \$110,000, in its 4th year of acquisition.

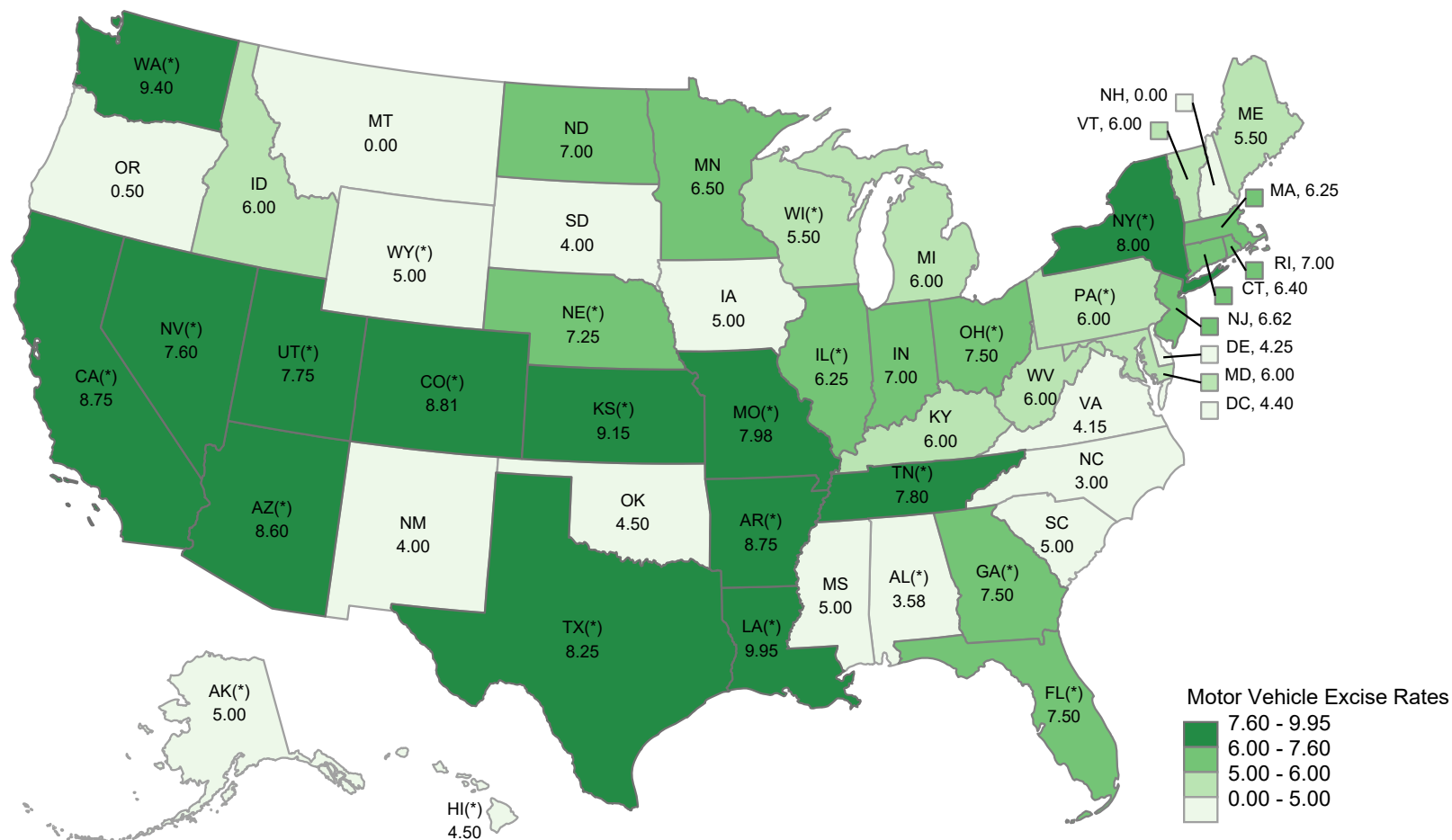
NMDOT's elaboration on data from International Registration Plan, INC.

- ❖ New Mexico is the lowest in the nation.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).
- ❖ Most other states charge a high apportioned registration fee rather than a weight-distance fee.
- ❖ Due to differences in tax structures, it is not possible to easily compare weight-distance taxes.

Vehicle Excise Tax Rates by State



Vehicle Excise Tax Rates as of Jan 2025



Notes:

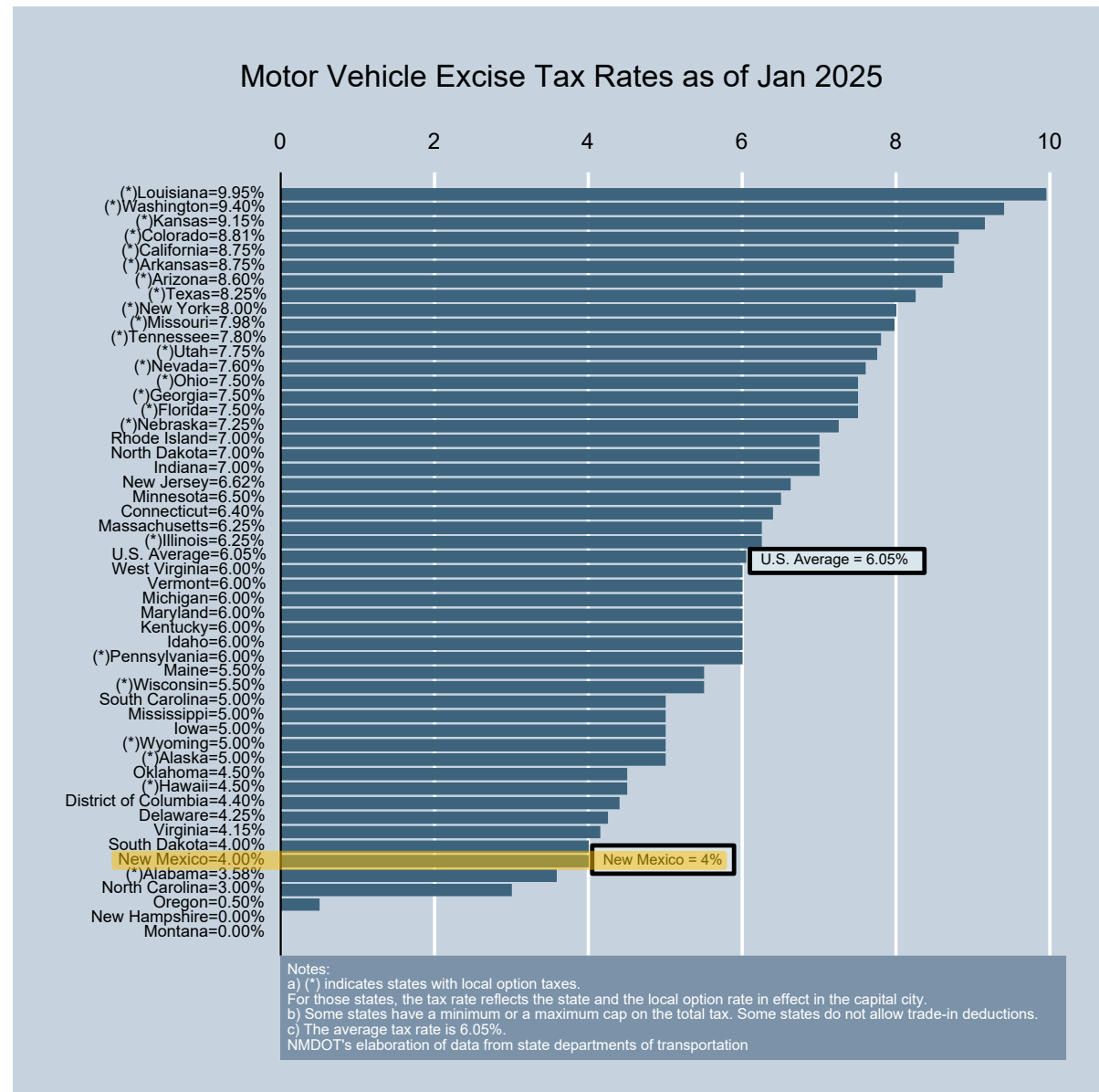
a) (*) indicates states with local option taxes. For those states, the tax rate reflects the state and the local option rate in effect in the capital city.

b) Some states have a minimum or a maximum cap on the total tax. Some states do not allow trade-in deductions.

c) The average tax rate is 6%.

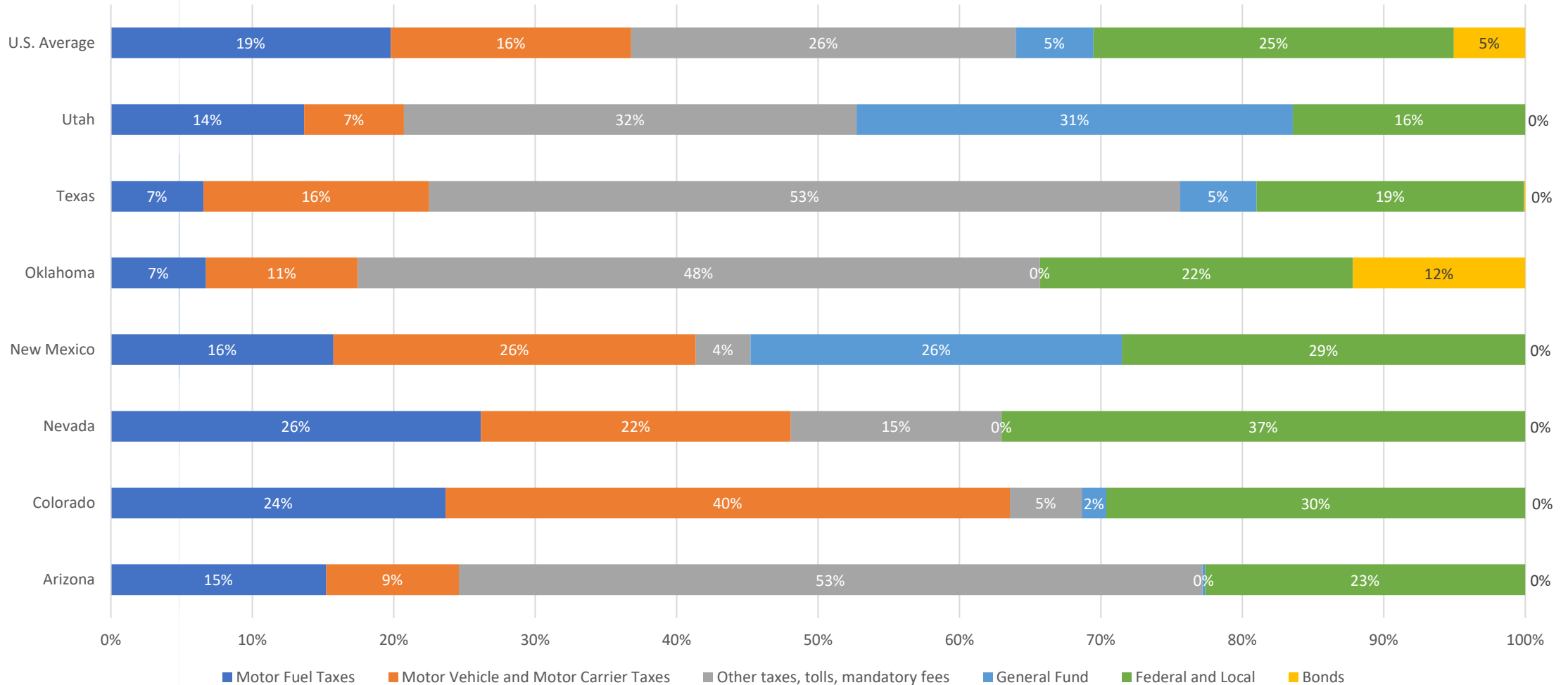
NMDOT's elaboration of data from state departments of transportation

Vehicle Excise Tax Rates by State



- ❖ New Mexico is the 6th lowest in the nation.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).

State Highway Funding by Source



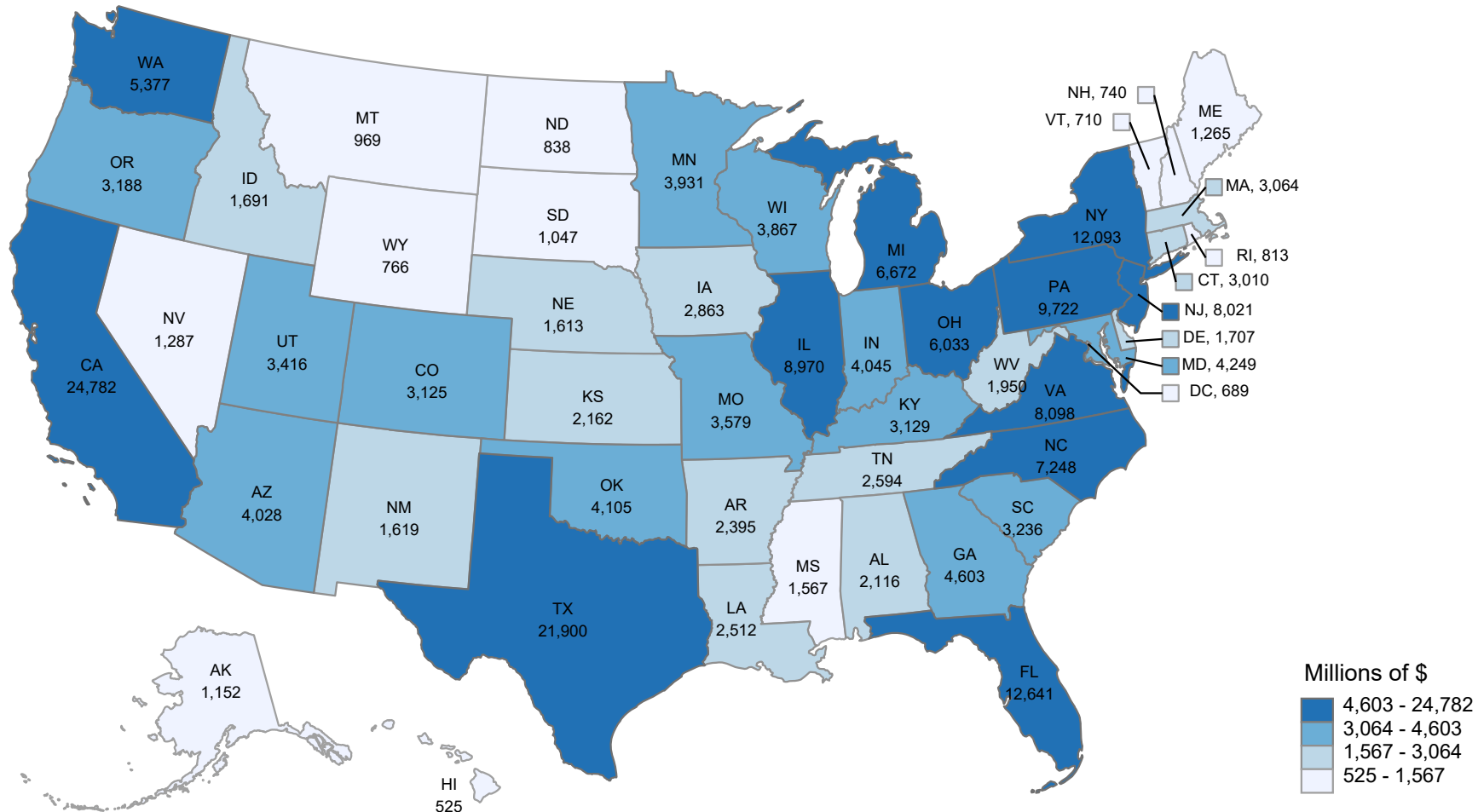
Source: Federal Highway Administration FY 2023

Total State and Federal Revenue by State



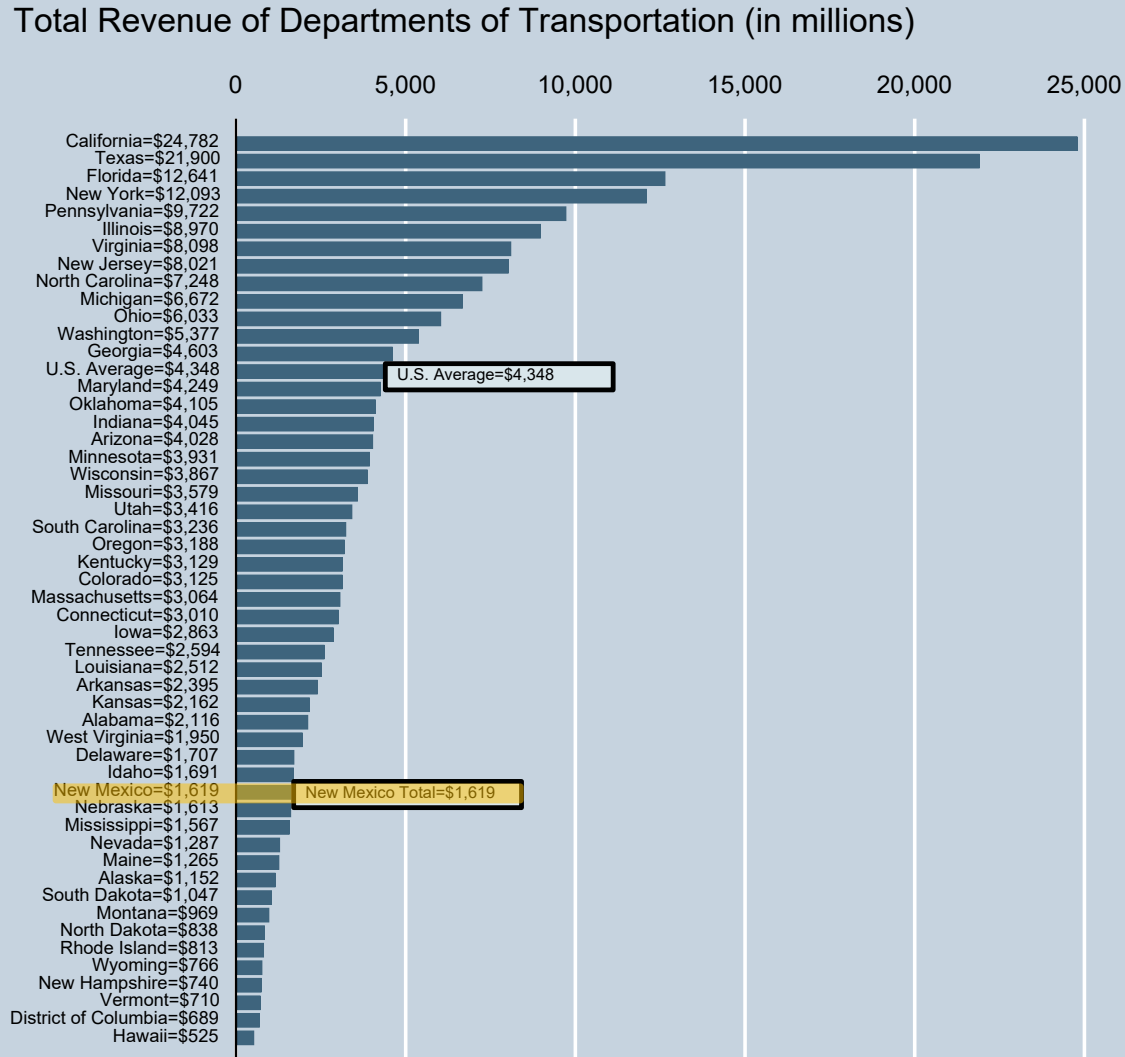
New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE

Total Revenue for Departments of Transportation



Source: Federal Highway Administration
As of January 1, 2023

Total State and Federal Revenue by State



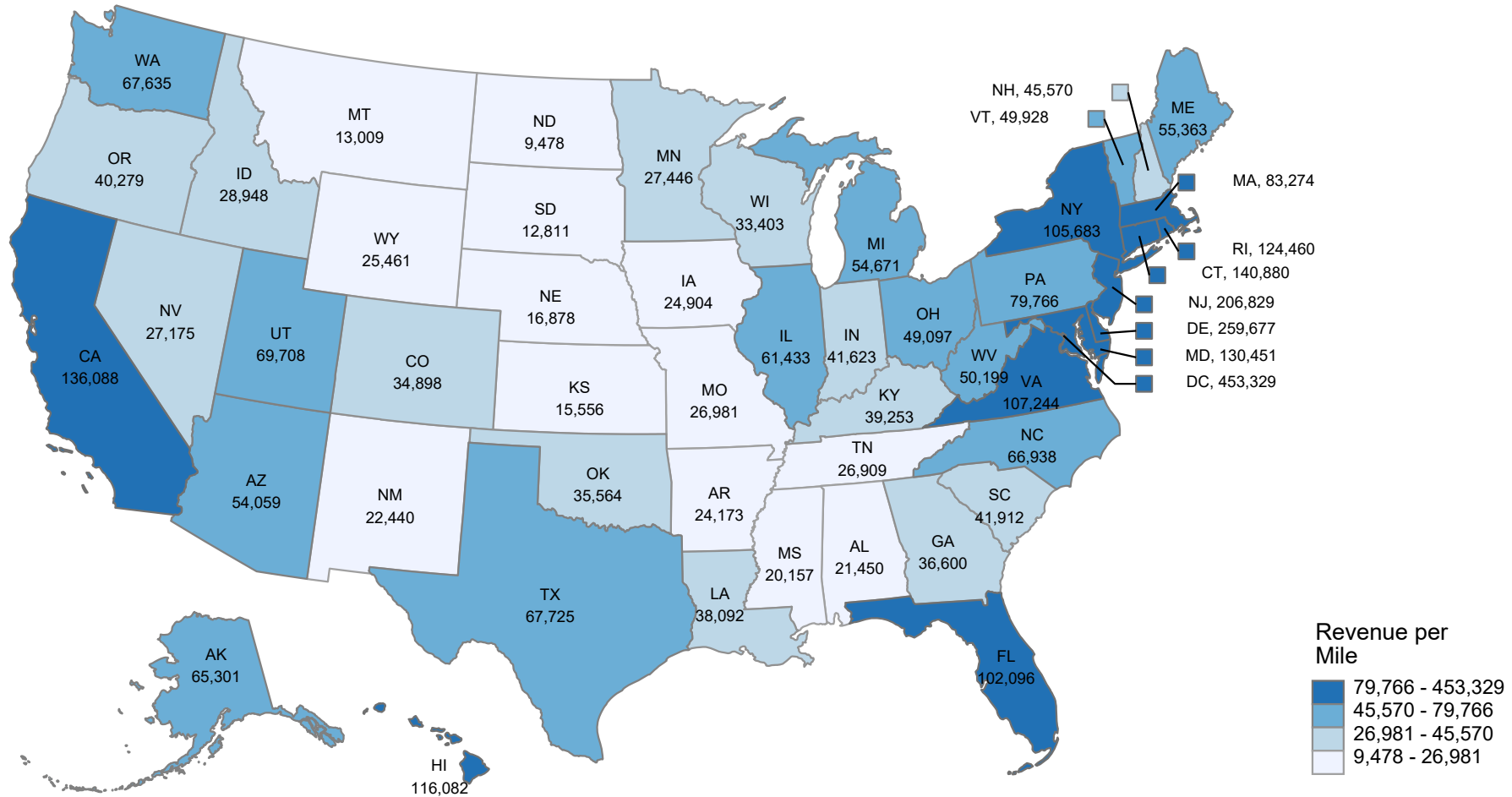
Source: Federal Highway Administration. As of January 1, 2023

- ❖ New Mexico is the 15th lowest in the nation.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).

Total Revenue per Lane Mile by State

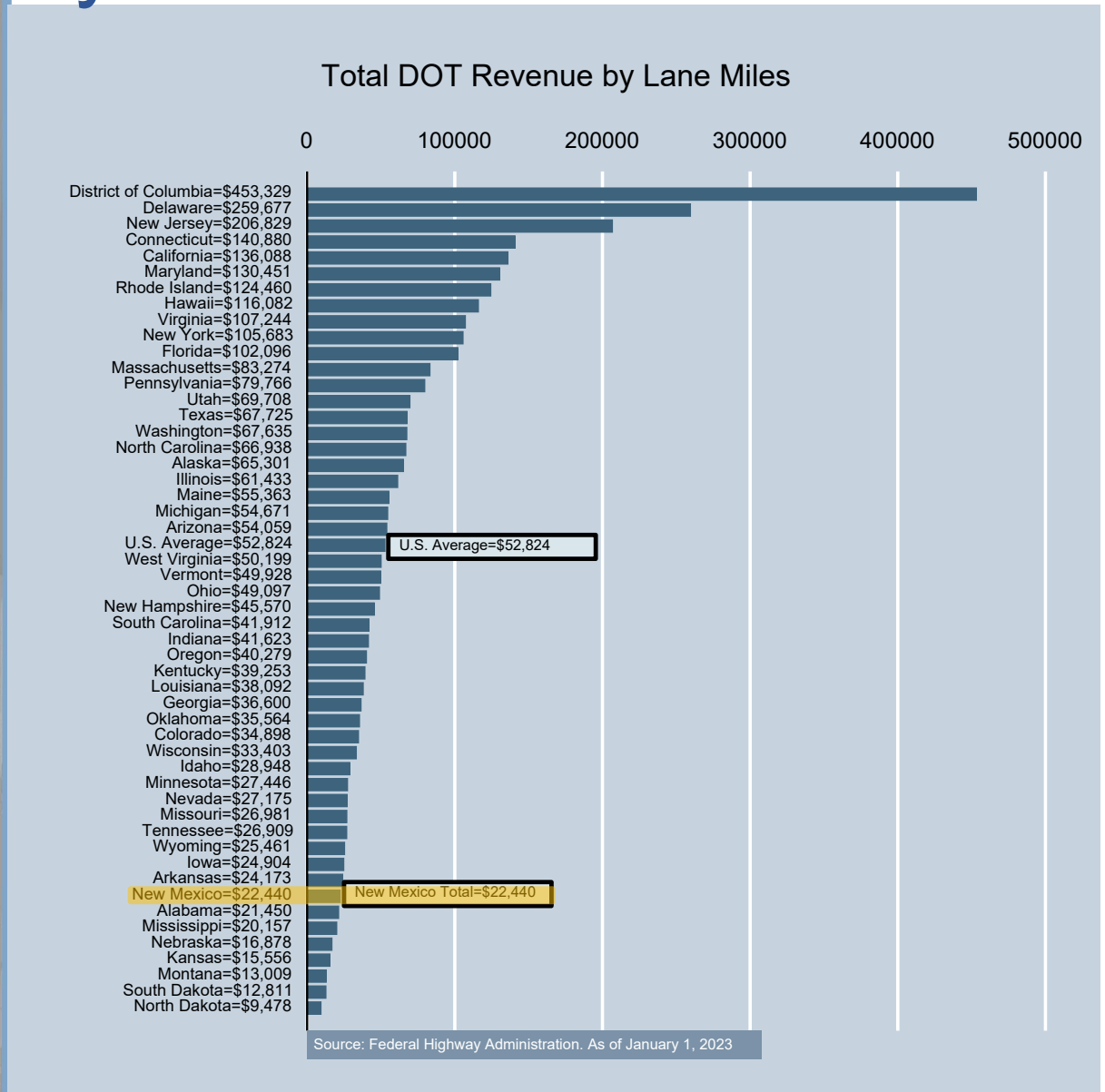


Total DOT Revenue by Lane Miles



Source: Federal Highway Administration
As of January 1, 2023

Total Revenue per Lane Mile by State



- ❖ New Mexico is 8th lowest in the nation, when measured by lane mile.
- ❖ New Mexico is lowest among neighboring states (AZ, UT, CO, OK, TX).

2025 Legislative Session Efforts



- ❖ Introduced HB 145 and SB 289.
 - HB 145 would have granted the Transportation Commission bonding authority up to \$1.5 billion
 - SB 289 would have increased Motor Vehicle Excise Tax distributions to the State Road Fund to pay for the increased bonding capacity

- ❖ In Senate Finance Committee both bills were modified and combined into HB 145 resulting in a bill that:
 - Increased the weight distance tax
 - Increased passenger vehicle registration fees
 - And adding a registration fee for electric vehicles to pay for the increased bonding.
 - Increased bonding authority by \$1.5 billion subject to these restrictions
 - The total bonds issued at any one time may not exceed \$290 million
 - Issued bonds could only be used to fund project in the State Transportation Improvement Plan
 - NMDOT report on the highway projects to be financed by the bonds.