

Transportation Infrastructure Revenue Subcommittee

2026 Legislative Priorities

Ricky Serna, Secretary

November 3, 2025



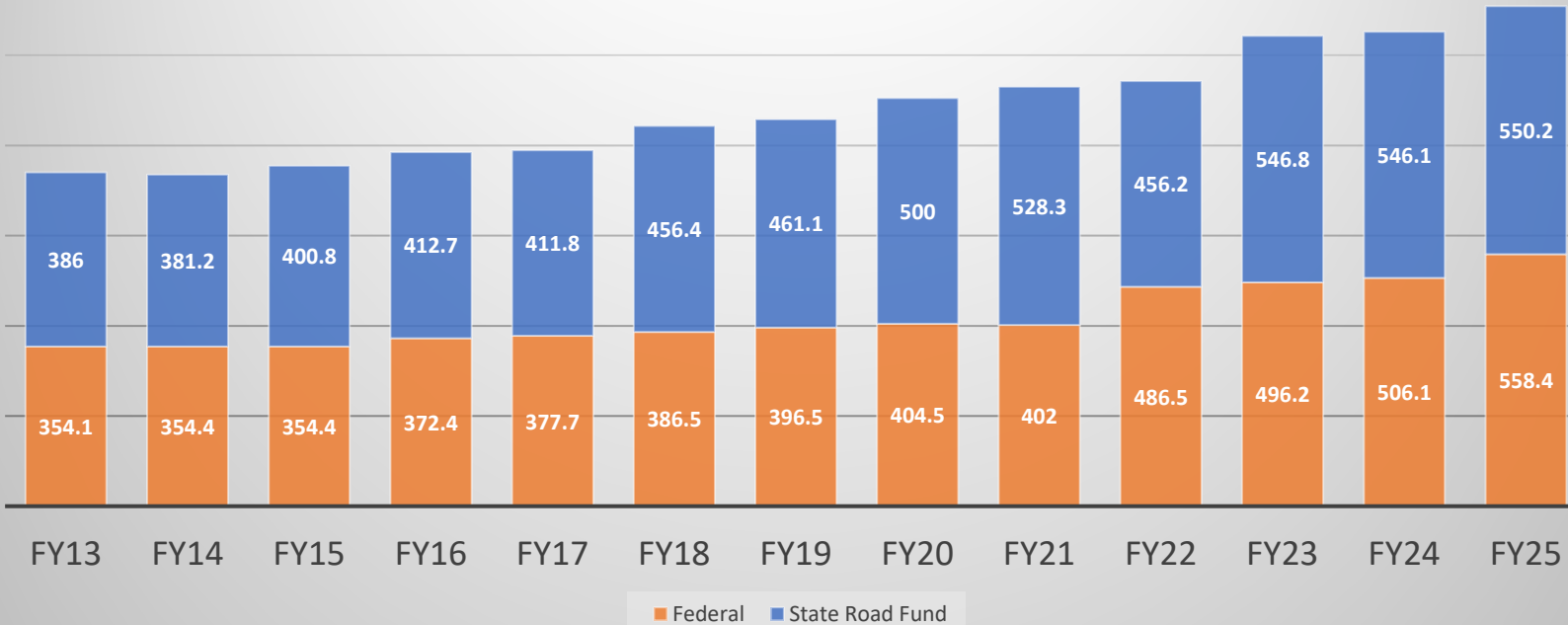
New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE



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

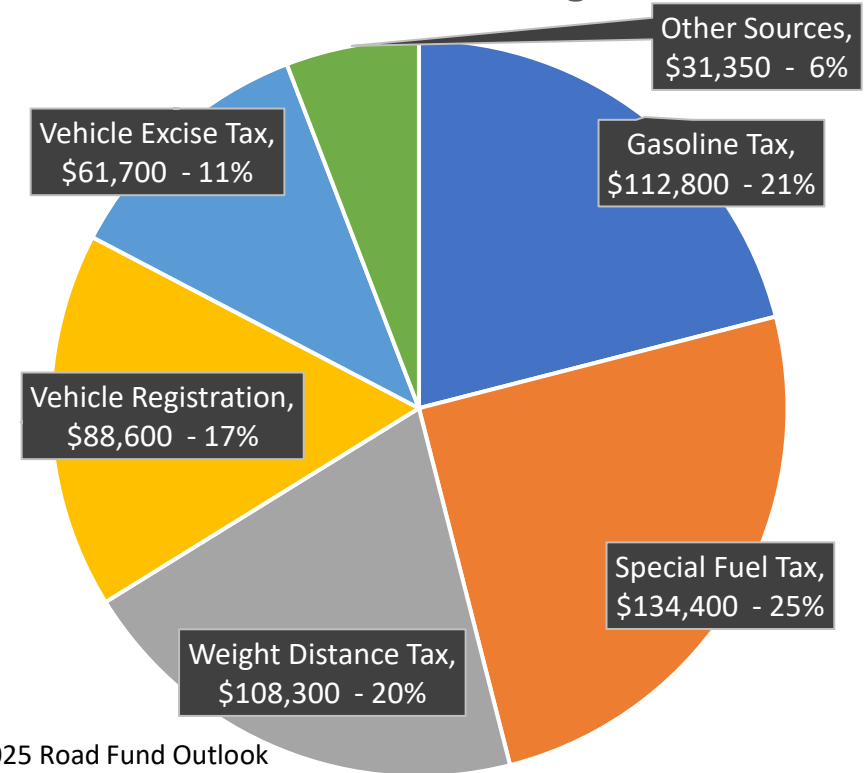


❖ NMDOT receives funding from two main sources, the Federal Government and the State Road Fund.

- 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

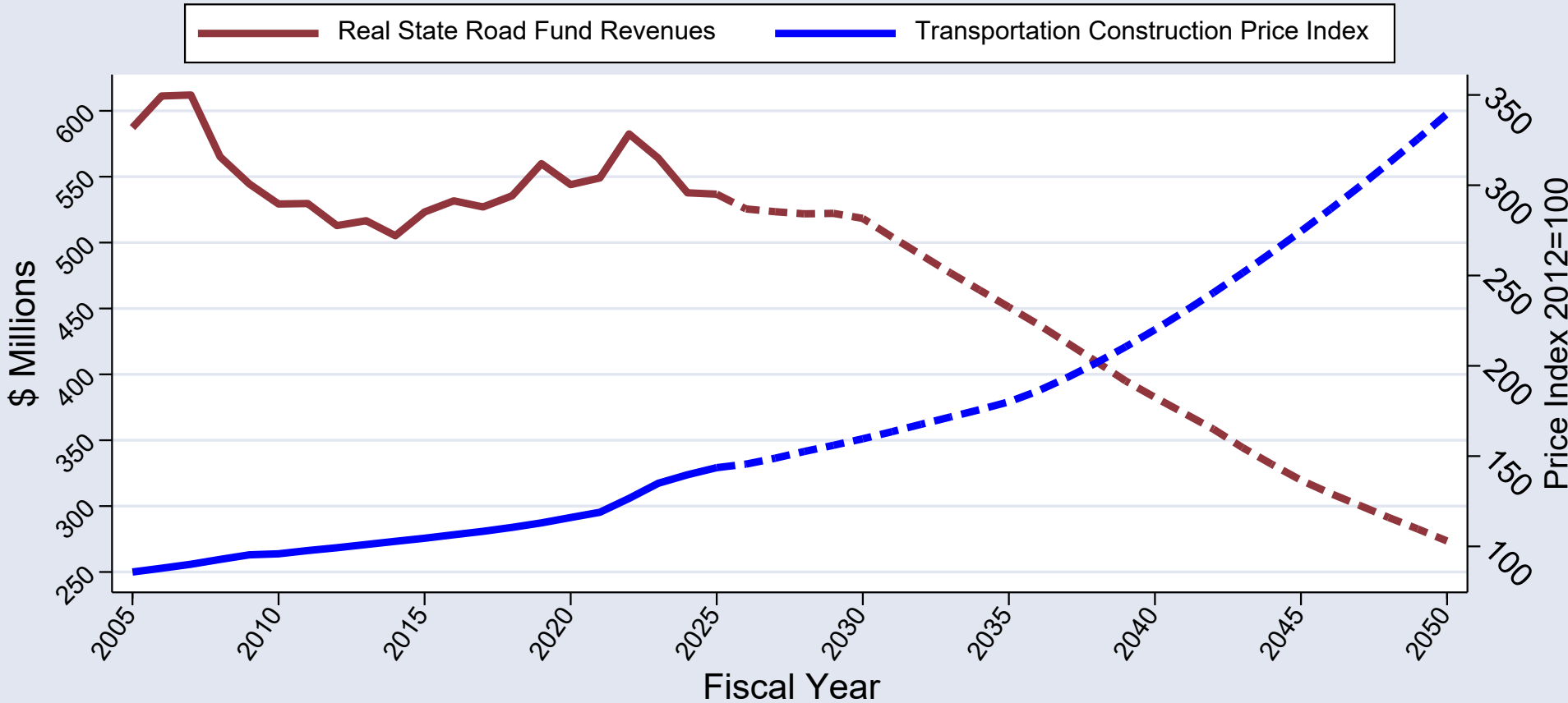


*Based on NMDOT's July 2025 Road Fund Outlook

Increasing REAL Cost Of State Road Construction



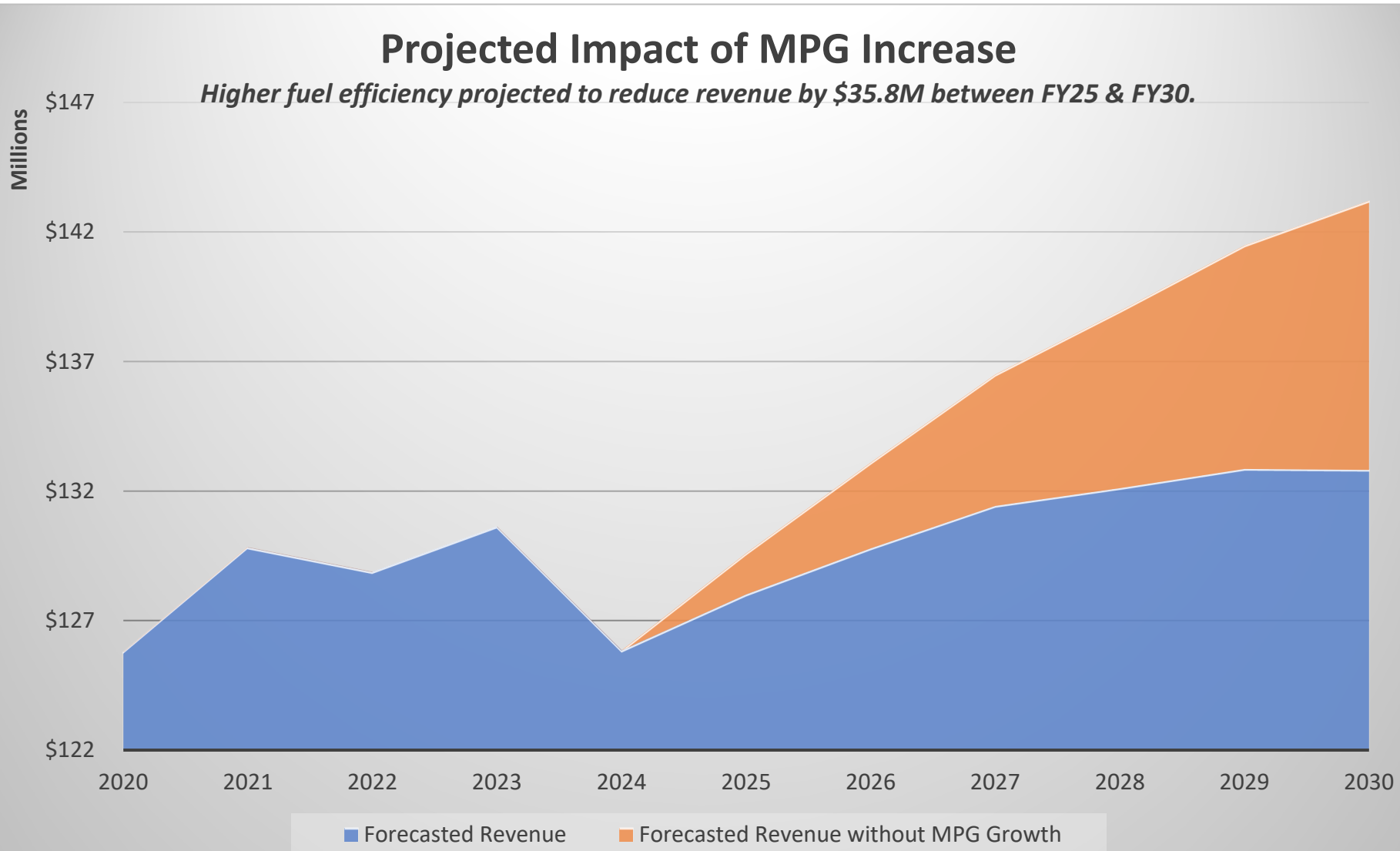
Real State Road Fund Revenues and Transportation Construction Price Index



- ❖ 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

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.

2026 Legislative Priority



HB145 (2025) Sponsors: Representatives, Hochman-Vigil, Brown, De La Cruz, Small, Lundstrom, and Senator Munoz.

Legislation provides the State Transportation Commission (STC) with the authority to issue up to \$1.5B in transportation for State-owned roads. Total annual debt service payment is about \$108 Million which is equal to current debt service.

❖ Re-Introduce HB145 (2025)

- Transportation Commission bonding authority up to \$1.5 billion
 - Issued bonds could only be used to fund projects in the State Transportation Improvement Plan; and
 - NMDOT to report on the highway projects to be financed by the bonds.
- More than \$70M annually in recurring revenue
 - Generates \$30M of new annual revenue from a 25% increase to vehicle registration fees
 - Generates \$40M of new annual revenue from a 35% increase to weight distance tax
 - Generate \$2M in new annual revenue from the establishment of an EV surcharge

2026 Legislative Session Under Consideration



- ❖ Automated Speed Enforcement (ASE) in Construction Zones – SB241 (2025) Senators Gonzales and Sanchez
 - Provides authority to issue civil citations for speeding in construction zones.
 - Currently only local governments may request placement of ASE cameras on State roads.
 - Bernalillo and City of Albuquerque have been granted approval on specific corridors.

- ❖ Merging the Transportation Project Fund and the Local Government Road Fund.
 - The sum of the two funds would provide about \$75M annually to eligible entities. Eligible entities include tribes, municipalities , counties and postsecondary institutions.

Transportation Project Fund	Local Government Road Fund
<ul style="list-style-type: none"> • Recurring Budget: \$50-55 million • 95% NMDOT & 5% Local Match • Disbursement program • Less restrictive on project type • Hardship waiver available • Projects approved by State Transportation Commission 	<ul style="list-style-type: none"> • Recurring Budget: \$22-27 million • 75% NMDOT & 25% Local Match • Disbursement program • Restricted to funding programs* • Hardship waiver available • Projects approved by State Transportation Commission