

HOUSE BILL 428

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

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AN ACT

RELATING TO TRANSPORTATION; CREATING THE TRANSPORTATION TRUST
FUND, WHICH SHALL MAKE ANNUAL DISTRIBUTIONS TO THE STATE ROAD
FUND FOR CERTAIN PROJECTS PRIORITIZED BY THE DEPARTMENT OF
TRANSPORTATION; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] TRANSPORTATION TRUST FUND
CREATED.--

A. The "transportation trust fund" is created as a
nonreverting fund in the state treasury. The fund consists of
distributions, appropriations, gifts, grants and donations.
Income from investment of the fund shall be credited to the
fund. Money in the fund shall be expended only as provided in
this section.

B. The state investment officer, subject to the

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1 approval of the state investment council, shall invest money in
2 the transportation trust fund:

3 (1) in accordance with the prudent investor
4 rule set forth in the Uniform Prudent Investor Act; and

5 (2) in consultation with the state treasurer.

6 C. The state investment officer shall report
7 quarterly to the legislative finance committee and the state
8 investment council on the investments made pursuant to this
9 section. Annually, a report shall be submitted no later than
10 October 1 each year to the legislative finance committee, the
11 revenue stabilization and tax policy committee and any other
12 appropriate interim committees.

13 D. On July 1, 2024, a distribution shall be made
14 from the transportation trust fund to the state road fund in
15 the amount of twenty million dollars (\$20,000,000) and on each
16 July 1 thereafter, a distribution shall be made from the
17 transportation trust fund to the state road fund in an amount
18 equal to the greater of five percent of the average of the
19 year-end market values of the fund for the immediately
20 preceding three calendar years or thirty million dollars
21 (\$30,000,000). Money distributed pursuant to this subsection
22 shall be expended only for projects prioritized by a
23 cooperative and comprehensive process of the department of
24 transportation that incorporates federally required performance
25 measures and national planning goals, aligns with the

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1 department's long-range plans and addresses the multimodal
2 needs of New Mexico's transportation customers.

3 E. In addition to the distribution pursuant to
4 Subsection D of this section, money in the transportation trust
5 fund may be expended in the event that general fund balances,
6 including all authorized revenues and transfers to the general
7 fund and balances in the general fund operating reserve, the
8 appropriation contingency fund, the tobacco settlement
9 permanent fund, the state-support reserve fund and the tax
10 stabilization reserve, will not meet the level of
11 appropriations authorized from the general fund for a fiscal
12 year. In that event, to avoid an unconstitutional deficit, the
13 legislature may appropriate from the transportation trust fund
14 to the general fund only in the amount necessary to meet
15 general fund appropriations for that fiscal year and only if
16 the legislature has authorized transfers from the appropriation
17 contingency fund, the general fund operating reserve, the tax
18 stabilization reserve and the tobacco settlement permanent fund
19 that exhaust those fund balances.

20 SECTION 2. APPROPRIATION.--Two hundred million dollars
21 (\$200,000,000) is appropriated from the general fund to the
22 transportation trust fund for expenditure in fiscal year 2024
23 and subsequent fiscal years to provide initial funding to the
24 fund. Any unexpended or unencumbered balance remaining at the
25 end of a fiscal year shall not revert to the general fund.

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SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2023.