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HOUSE BILL 42

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

INTRODUCED BY

Dayan Hochman-Vigil and Michael Padilla and Joy Garratt

FOR THE TRANSPORTATION INFRASTRUCTURE REVENUE SUBCOMMITTEE

AN ACT

RELATING TO TRANSPORTATION; CREATING THE TRANSPORTATION TRUST FUND; PROVIDING FOR TRANSFERS FROM THE TRANSPORTATION TRUST FUND TO THE STATE ROAD FUND FOR CERTAIN PROJECTS PRIORITIZED BY THE DEPARTMENT OF TRANSPORTATION.

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 and the secretary of transportation.

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

14 D. Subject to the availability of funds, on July 1,  
15 2027 and each July 1 thereafter, a transfer shall be made from  
16 the transportation trust fund to the state road fund in an  
17 amount equal to five percent of the average of the year-end  
18 market values of the transportation trust fund for the  
19 immediately preceding three calendar years. Money transferred  
20 pursuant to this subsection shall be expended only for approved  
21 projects prioritized by a cooperative and comprehensive process  
22 of the department of transportation that aligns with the  
23 department's long-range plans and addresses the multimodal  
24 needs of New Mexico's transportation customers.

25 E. In addition to the transfer pursuant to

.226473.2

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1 Subsection D of this section, money in the transportation trust  
2 fund may be:

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

18 (2) allocated by the department of  
19 transportation to the transit and rail division for approved,  
20 non-rail public transit projects in an amount that does not  
21 exceed one percent of the average of the year-end market values  
22 of the fund for the immediately preceding three calendar years.

23 SECTION 2. EFFECTIVE DATE.--The effective date of the  
24 provisions of this act is July 1, 2024.