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HOUSE BILL 146

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

INTRODUCED BY

Cathrynn N. Brown and Randall T. Pettigrew

AN ACT

RELATING TO TRANSPORTATION; CREATING THE TRANSPORTATION TRUST FUND; MAKING ANNUAL TRANSFERS TO THE STATE ROAD FUND FOR CERTAIN PROJECTS PRIORITIZED BY THE DEPARTMENT OF TRANSPORTATION; TRANSFERRING CERTAIN UNEXPENDED CAPITAL OUTLAY BALANCES TO THE TRANSPORTATION TRUST FUND; DISTRIBUTING A PORTION OF GROSS RECEIPTS TAX REVENUE ATTRIBUTABLE TO THE SALE OF ELECTRICITY TO THE TRANSPORTATION TRUST FUND; AMENDING DISTRIBUTIONS OF THE MOTOR VEHICLE EXCISE TAX; 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 .226415.2

underscored material = new
[bracketed material] = delete

underscored material = new
~~[bracketed material]~~ = delete

1 distributions, appropriations, gifts, grants and donations.
2 Income from investment of the fund shall be credited to the
3 fund. Money in the fund shall be expended only as provided in
4 this section.

5 B. The state investment officer, subject to the
6 approval of the state investment council and in consultation
7 with the state treasurer, shall invest money in the
8 transportation trust fund in accordance with the prudent
9 investor rule set forth in the Uniform Prudent Investor Act.

10 C. The state investment officer shall submit an
11 annual report on the investments made pursuant to this section
12 no later than October 1 of each year to the legislative finance
13 committee, the state investment council, the revenue
14 stabilization and tax policy committee and any other
15 appropriate interim committees.

16 D. On July 1, 2027 and each July 1 thereafter, a
17 transfer shall be made from the transportation trust fund to
18 the state road fund in an amount equal to five percent of the
19 average of the year-end market values of the fund for the
20 immediately preceding three calendar years. Money transferred
21 pursuant to this subsection shall be expended only for projects
22 prioritized by a cooperative and comprehensive process of the
23 department of transportation that incorporates federally
24 required performance measures and national planning goals,
25 aligns with the department's long-range plans and addresses the

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1 multimodal needs of New Mexico's transportation customers.

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

19 SECTION 2. A new section of Chapter 6, Article 4 NMSA
20 1978 is enacted to read:

21 "[NEW MATERIAL] CAPITAL OUTLAY BALANCES--TRANSFER--
22 TRANSPORTATION TRUST FUND.--Any outstanding capital outlay
23 balances, excluding bond proceeds, that are appropriated from
24 the general fund but are not expended or encumbered within the
25 period specified by law shall be transferred to the

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1 transportation trust fund."

2 SECTION 3. A new section of the Tax Administration Act,
3 Section 7-1-6.72 NMSA 1978, is enacted to read:

4 "7-1-6.72. [NEW MATERIAL] DISTRIBUTION--TRANSPORTATION
5 TRUST FUND.--A distribution pursuant to Section 7-1-6.1 NMSA
6 1978 shall be made to the transportation trust fund in an
7 amount equal to one percent of the taxable gross receipts
8 attributable to the sale of electricity."

9 SECTION 4. Section 7-14-10 NMSA 1978 (being Laws 1988,
10 Chapter 73, Section 20, as amended) is amended to read:

11 "7-14-10. DISTRIBUTION OF PROCEEDS.--The receipts from
12 the tax and any associated interest and penalties shall be
13 deposited in the "motor vehicle suspense fund", hereby created
14 in the state treasury. As of the end of each month, the net
15 receipts attributable to the tax and associated penalties and
16 interest shall be distributed as follows:

17 A. prior to July 1, 2026:

18 (1) thirty percent to the general fund;

19 (2) thirty-five percent to the state road
20 fund;

21 (3) fifteen percent to the transportation
22 project fund; and

23 (4) twenty percent to the transportation trust
24 fund;

25 B. on and after July 1, 2026, except as provided in

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underscored material = new
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1 Subsection C of this section:

2 (1) fifty percent to the state road fund;

3 (2) twenty percent to the transportation
4 project fund; and

5 (3) thirty percent to the transportation trust
6 fund; and

7 C. if, for any single fiscal year occurring after
8 fiscal year 2029 and prior to fiscal year 2040, gross receipts
9 tax revenues are less than ninety percent of the gross receipts
10 tax revenues for the previous fiscal year as determined by the
11 secretary of finance and administration, beginning on the July
12 1 following the determination made by the secretary of finance
13 and administration:

14 [A. ~~fifty-nine and thirty-nine hundredths~~] (1)
15 fifty percent to the general fund;

16 [B. ~~twenty-one and eighty-six hundredths~~] (2)
17 twenty percent to the state road fund; [and

18 C. ~~eighteen and seventy-five hundredths~~] (3)
19 fifteen percent to the transportation project fund; and

20 (4) fifteen percent to the transportation
21 trust fund."

22 SECTION 5. APPROPRIATION.--Four hundred million dollars
23 (\$400,000,000) is appropriated from the general fund to the
24 transportation trust fund for expenditure in fiscal year 2025
25 and subsequent fiscal years to provide initial funding to the

.226415.2

1 fund. Any unexpended or unencumbered balance remaining at the
2 end of a fiscal year shall not revert to the general fund.

3 SECTION 6. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2024.

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