

<b>LFC Requester:</b>	<b>Austin Davidson</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/10/2025

*Check all that apply:*

**Bill Number:** HB 328

Original  Correction   
 Amendment  Substitute

**Sponsor:** Reps. Randall Pettigrew & Mark Murphy

**Agency Name and Code Number:** 305 – New Mexico Department of Justice

**Person Writing Analysis:** Esther Jamison

**Short Title:** Repeal Clean Fuel Standards

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis: This bill would repeal the Clean Transportation Fuel Standards (CTFS) program, passed in 2024 (codified at N.M.S.A. § 74-1-18), make coordinating amendments throughout Article 1 of Chapter 74, and prohibit the Environmental Improvement Board (EIB) from adopting or continuing in effect any CTFS rules.

Section 1 would delete definitions that relate to § 74-1-3 from § 74-1-3; namely, definitions for “carbon intensity,” “fuel lifecycle,” and “transportation fuel.”

Section 2 would delete duties of the New Mexico Environment Department (NMED) that relate to the CTFS program; namely, NMED’s duty to “maintain, develop, and enforce rules and standards” related to “carbon intensity of transportation fuels” as provided for in § 74-1-18.

Section 3 would delete the duties of the EIB that relate to CTFS; namely, its duty to “promulgate rules and standards” that relate to “carbon intensity of transportation fuels” as provided for in § 74-1-18.

Section 4 adds new material that prohibits the EIB from “adopt[ing] or continu[ing] in effect a rule providing for a clean transportation fuel standard.”

Section 5 repeals § 74-1-18 (the CTFS program).

**FISCAL IMPLICATIONS**

N/A

**SIGNIFICANT ISSUES**

NMED released a discussion draft rule for the CTFS program in December 2024. HB 328 would terminate this rulemaking process.

Further analysis may be needed to determine whether repealing the CTFS program would affect compliance with the EPA’s renewable fuel standard program, *see* 40 C.F.R. §§ 80.1400 to .1479.

**PERFORMANCE IMPLICATIONS**

N/A

## **ADMINISTRATIVE IMPLICATIONS**

N/A

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB 328 conflicts with SB 131, which would *add* a section to NMSA § 74-1-18 that would prevent the EIB from “adopt[ing] or continu[ing] in effect a rule” that requires automobile manufacturers to deliver a “percentage of zero-emission vehicles for a model year to control motor vehicle emissions or for any other lawful purpose.” Because HB 328 would repeal § 74-1-18, which SB 131 seeks to amend, there is a conflict.

## **TECHNICAL ISSUES**

N/A

## **OTHER SUBSTANTIVE ISSUES**

N/A

## **ALTERNATIVES**

N/A

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo

## **AMENDMENTS**