

LFC Requester:

Joseph Simon

**NMDOT BILL ANALYSIS  
2026 REGULAR SESSION**

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

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

Check all that apply:

Original  Amendment   
Correction  Substitute

Date Prepared: 01/28/2026

Bill No. SB 82

Sponsor: William P. Soules

Agency/ Code: NMDOT - 805 - Aviation Division

Unleaded Aviation Fuel

Person Writing Analysis: Jessi Litz-Rowden

Short Title Grant Program

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
5,000	5,000	Recurring	General Fund and Unleaded Aviation Fuel Grant Program Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

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

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	5,000.	5,000	5,000	15,000.	Recurring	Unleaded Aviation Fuel Grant Program Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Senate Bill 82 (SB 82) creates the Unleaded Aviation Fuel Grant Program (Program) and the Unleaded Aviation Fuel Grant Program Fund (Fund). The Program will be administered by the Aviation Division of the New Mexico Department of Transportation (NMDOT). The purpose of the Program is to award grants to publicly owned airport applicants (see publicly owned airports description below) for the sole purpose of installing an unleaded aviation fuel dispensing system or to provide unleaded aviation fuel at a publicly owned airport in the State which has neither an unleaded aviation fuel dispensing system or other method to provide unleaded aviation fuel.

Money will be awarded to eligible applicants via a competitive grant process in an amount not to exceed two hundred thousand dollars (\$200,000) per grant. Eligibility requirements shall be established by the Aviation Division, as will grant reporting requirements to oversee timely installation or other provision of unleaded aviation fuel.

Publicly owned airports include those owned by political subdivisions of the state, Indian nations, tribes and pueblos, all of which may apply for and be awarded an Unleaded Aviation Fuel Grant.

The Fund is created by SB 82 as a nonreverting fund in the state treasury and will consist of appropriations, distributions, gifts, grants, donations and income from investment of the Fund. The NMDOT will administer the Fund

Five million dollars (\$5,000,000) is appropriated for expenditure in fiscal year 2027 and subsequent fiscal years for the purpose of the Fund as stated above. The language in Section three (3) of the bill designates that unexpended balances remaining at the end of a fiscal year shall not revert to the general fund, and the plural term ‘appropriations’ is used in the short title of the bill which lead to the determination that the appropriation is recurring. If the intention is not to make a recurring appropriation, a fiscal year should be designated for the completion of the expenditure.

Disbursements from the Fund will be effectuated by warrant of the Secretary of the Department of Finance Administration pursuant to vouchers signed by the Secretary of the NMDOT or his/her authorized representative.

### **FISCAL IMPLICATIONS**

The grant award cap is likely insufficient to cover design and construction costs of a single fuel tank. Current costs for aviation fuel farm systems for jet fuel and aviation gas exceed two million (\$2,000,000). Unexpended funds are non-reverting at the end of the FY.

### **SIGNIFICANT ISSUES**

The Federal Aviation Administration’s (FAA) Draft Transition Plan to Unleaded Aviation Gasoline regarding the design, construction, implementation, and timelines for infrastructure transition to unleaded fuels is currently out for public comment and is not expected to be finalized until the end of FFY2026.

## **PERFORMANCE IMPLICATIONS**

The NMDOT cannot reasonably issue grants without established federal regulations.

## **ADMINISTRATIVE IMPLICATIONS**

The proposed legislation will require the development of new administrative rules for management of the Program as there are no established federal regulations.

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

None identified.

## **TECHNICAL ISSUES**

Established design or construction standards for aviation unleaded fuel dispensing systems do not currently exist. Manufacturers and suppliers of aviation fuel do not support or provide unleaded fuels to distributors, as an unleaded fuel substitute for aviation gasoline has not yet been fully approved by the FAA.

## **OTHER SUBSTANTIVE ISSUES**

Unexpended funds are non-reverting at the end of the FY.

## **ALTERNATIVES**

None identified.

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

None identified.

## **AMENDMENTS**

None suggested.