

HOUSE BILL 322

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO TRANSPORTATION; CREATING THE TRANSPORTATION TRUST FUND AND THE TRANSPORTATION PROGRAM FUND; MAKING ANNUAL DISTRIBUTIONS TO THE TRANSPORTATION PROGRAM FUND TO PROVIDE MATCHING FUNDS FOR FEDERAL GRANTS; HTPWC→**DISTRIBUTING A PORTION OF GROSS RECEIPTS TAX REVENUE ATTRIBUTABLE TO THE SALE OF ELECTRICITY TO THE TRANSPORTATION TRUST FUND;**←HTPWC AMENDING DISTRIBUTIONS OF THE MOTOR VEHICLE EXCISE TAX; AMENDING CERTAIN SECTIONS OF LAWS 2021 THROUGH 2024 TO REQUIRE

CERTAIN UNEXPENDED GENERAL FUND CAPITAL OUTLAY APPROPRIATIONS
TO REVERT TO THE TRANSPORTATION TRUST FUND; MAKING AN
APPROPRIATION.

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

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

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 approval of the state investment council and in consultation with the state treasurer, shall invest money in the transportation trust fund in accordance with the prudent investor rule set forth in the Uniform Prudent Investor Act.

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

D. On July 1, 2029 and each July 1 thereafter, a distribution shall be made from the transportation trust fund

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to the transportation program fund in an amount equal to five percent of the average of the year-end market values of the fund for the immediately preceding three calendar years. If, on July 1 of a year, the trust fund has been in effect for less than three calendar years, the distribution shall be in an amount equal to five percent of the average of the year-end market values of the trust fund for the immediately preceding number of calendar years that the trust fund has been in effect.

SECTION 2. [NEW MATERIAL] TRANSPORTATION PROGRAM FUND.--

The "transportation program fund" is created in the state treasury. The fund consists of distributions, appropriations, gifts, grants, donations and income from investment of the fund. The department of transportation shall administer the fund. Money in the fund is subject to appropriation by the legislature to provide matching funds for federal grants for transportation infrastructure projects authorized by the legislature. Expenditures from the fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of transportation or the secretary's authorized representative. Any unexpended balance remaining at the end of a fiscal year shall revert to the transportation trust fund.

HTPWC→**SECTION 3. A new section of the Tax Administration**

~~Act, Section 7-1-6.74 NMSA 1978, is enacted to read:~~

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"7-1-6.74. [NEW MATERIAL] DISTRIBUTION--TRANSPORTATION

~~TRUST FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the transportation trust fund in an amount equal to the following percentages of the taxable gross receipts attributable to the sale of electricity:~~

~~A. prior to July 1, 2032, one percent;~~

~~B. on or after July 1, 2032 and prior to July 1, 2037, one and one-fourth percent;~~

~~C. on or after July 1, 2037 and prior to July 1, 2042, one and one-half percent;~~

~~D. on or after July 1, 2042 and prior to July 1, 2047, one and three-fourths percent; and~~

~~E. on or after July 1, 2047, two percent."~~ HTPWC

SECTION HTPWC→4. HTPWC HTPWC→3. HTPWC Section 7-14-10

NMSA 1978 (being Laws 1988, Chapter 73, Section 20, as amended) is amended to read:

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

A. prior to July 1, 2028:

(1) thirty percent to the general fund;

(2) thirty-five percent to the state road

fund;

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

(4) twenty percent to the transportation trust fund;

B. on and after July 1, 2028, except as provided in Subsection C of this section:

(1) fifty percent to the state road fund;
(2) twenty percent to the transportation project fund; and
(3) thirty percent to the transportation trust fund; and

C. if gross receipts tax revenue in any twelve-month period beginning July 1, 2031 and prior to July 1, 2042 is less than ninety percent of the gross receipts tax revenue for the previous twelve-month period, as determined by the department of finance and administration, then beginning July 1 following the determination:

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

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

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

(4) fifteen percent to the transportation

trust fund."

SECTION HTPWC→5.←HTPWC HTPWC→4.←HTPWC Laws 2021,

Chapter 138, Section 2 is amended to read:

"SECTION 2. GENERAL FUND APPROPRIATIONS--LIMITATIONS--

REVERSIONS.--

A. Except as otherwise specifically provided by law, the unexpended balance of an appropriation made in this act from the general fund shall revert to the general fund:

(1) no later than September 30 following:

(a) the end of fiscal year 2022 if the project for which an appropriation was made has less than five percent of the project's total appropriation amount subject to a binding written agreement with a third party on that date;

(b) the end of fiscal year 2023 for a project for which an appropriation was made to purchase vehicles, including emergency vehicles and other vehicles that require special equipment; heavy equipment; books; educational technology; or other equipment or furniture that is not related to a more inclusive construction or renovation project; or

(c) the end of fiscal year 2025 for a project for which an appropriation was made related to an inclusive construction or renovation project; or

(2) within six months of completion of the project for any other project for which an appropriation was made, but no later than the end of fiscal year 2025.

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B. Except for appropriations to the capital program fund, money from appropriations made in this act from the general fund shall not be used to pay indirect project costs.

C. Except as provided in Subsection D of this section, the balance of an appropriation made from the general fund shall revert in the time frame set forth in Subsection A of this section to the capital projects fund.

D. The balance of an appropriation made from the general fund to the Indian affairs department or the aging and long-term services department for a project located on lands of an Indian nation, tribe or pueblo shall revert in the time frame set forth in Subsection A of this section to the tribal infrastructure project fund.

E. For the purposes of this section, "unexpended balance" means the remainder of an appropriation after reserving for unpaid costs and expenses subject to a binding written agreement with a third party.

F. Money that is appropriated from the general fund pursuant to this act shall not be subject to a binding written agreement with a third party prior to the authorized state agency's approval to enter into that agreement.

G. The unexpended balance of an appropriation made in this act from the general fund that has not reverted on or before the effective date of this 2026 act shall revert in the time frame set forth in Subsection A of this section to the

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transportation trust fund."

SECTION HTPWC→6.←HTPWC HTPWC→5.←HTPWC Laws 2022,

Chapter 53, Section 2 is amended to read:

"SECTION 2. GENERAL FUND APPROPRIATIONS--LIMITATIONS--

REVERSIONS.--

A. Except as otherwise specifically provided by law, the unexpended balance of an appropriation made in this act from the general fund shall revert to the general fund:

(1) no later than September 30 following:

(a) the end of fiscal year 2023 if the project for which an appropriation was made has less than five percent of the project's total appropriation amount subject to a binding written agreement with a third party on that date;

(b) the end of fiscal year 2024 for a project for which an appropriation was made to purchase vehicles, including emergency vehicles and other vehicles that require special equipment; heavy equipment; books; educational technology; or other equipment or furniture that is not related to a more inclusive construction or renovation project; or

(c) the end of fiscal year 2026 for a project for which an appropriation was made related to an inclusive construction or renovation project; or

(2) within six months of completion of the project for any other project for which an appropriation was made, but no later than the end of fiscal year 2026.

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B. Money that is appropriated from the general fund pursuant to this act shall not be subject to a binding written agreement with a third party prior to the authorized state agency's approval to enter into that agreement.

C. For the purposes of this section, "unexpended balance" means the remainder of an appropriation after reserving for unpaid costs and expenses subject to a binding written agreement with a third party.

D. The unexpended balance of an appropriation made in this act from the general fund that has not reverted on or before the effective date of this 2026 act shall revert in the time frame set forth in Subsection A of this section to the transportation trust fund."

SECTION HTPWC→7.←HTPWC HTPWC→6.←HTPWC Laws 2023,

Chapter 199, Section 1 is amended to read:

"SECTION 1. GENERAL FUND APPROPRIATIONS--LIMITATIONS--
REVERSIONS.--

A. Except as otherwise specifically provided by law, the unexpended balance of an appropriation made in this act from the general fund shall revert to the general fund:

(1) no later than September 30 following:

(a) the end of fiscal year 2024 if the project for which an appropriation was made has less than five percent of the project's total appropriation amount subject to a binding written agreement with a third party on that date;

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(b) the end of fiscal year 2025 for a project for which an appropriation was made to purchase vehicles, including emergency vehicles and other vehicles that require special equipment; heavy equipment; books; educational technology; or other equipment or furniture that is not related to a more inclusive construction or renovation project; or

(c) the end of fiscal year 2027 for a project for which an appropriation was made related to an inclusive construction or renovation project; or

(2) within six months of completion of the project for any other project for which an appropriation was made, but no later than the end of fiscal year 2027.

B. Except for appropriations to the capital program fund, money from appropriations made in this act shall not be used to pay indirect project costs.

C. Money that is appropriated from the general fund pursuant to this act shall not be subject to a binding written agreement with a third party prior to the authorized state agency's approval to enter into that agreement.

D. For the purposes of this section, "unexpended balance" means the remainder of an appropriation after reserving for unpaid costs and expenses subject to a binding written agreement with a third party.

E. The unexpended balance of an appropriation made in this act from the general fund that has not reverted on or

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before the effective date of this 2026 act shall revert in the time frame set forth in Subsection A of this section to the transportation trust fund."

SECTION HTPWC→8.←HTPWC HTPWC→7.←HTPWC Laws 2024,

Chapter 66, Section 1 is amended to read:

**"SECTION 1. GENERAL FUND APPROPRIATIONS--LIMITATIONS--
REVERSIONS.--**

A. Except as otherwise specifically provided by law, the unexpended balance of an appropriation made in this act from the general fund shall revert to the general fund:

(1) no later than September 30 following:

(a) the end of fiscal year 2026 for a project for which an appropriation was made to purchase vehicles, including emergency vehicles and other vehicles that require special equipment; heavy equipment; books; educational technology; or other equipment or furniture that is not related to a more inclusive construction or renovation project; or

(b) the end of fiscal year 2028 for a project for which an appropriation was made related to an inclusive construction or renovation project; or

(2) within six months of completion of the project for any other project for which an appropriation was made, but no later than the end of fiscal year 2028.

B. The agencies named in this act shall certify to the department of finance and administration that the money

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appropriated in this act is needed for the purposes specified in the applicable section of this act. If an agency has not certified the need for the appropriation for a particular project by the end of fiscal year 2026, the authorization for that project is void.

C. Money that is appropriated from the general fund pursuant to this act shall not be subject to a binding written agreement with a third party prior to the authorized state agency's approval to enter into that agreement.

D. For the purposes of this section, "unexpended balance" means the remainder of an appropriation after reserving for unpaid costs and expenses subject to a binding written agreement with a third party.

E. The unexpended balance of an appropriation made in this act from the general fund that has not reverted on or before the effective date of this 2026 act shall revert in the time frame set forth in Subsection A of this section to the transportation trust fund.

SECTION HTPWC→9.←HTPWC HTPWC→8.←HTPWC

APPROPRIATION.--Four hundred million dollars (\$400,000,000) is appropriated from the general fund to the transportation trust fund for expenditure in fiscal year 2027 and subsequent fiscal years to provide initial funding to the fund. Any unexpended balance remaining at the end of a fiscal year shall not revert to the general fund.

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SECTION HTPWC→10.←HTPWC HTPWC→9.←HTPWC EFFECTIVE

DATE.--The effective date of the provisions of this act is July 1, 2026.

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