HOUSE BILL

58TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2027

INTRODUCED BY

DISCUSSION DRAFT

FOR THE TRANSPORTATION INFRASTRUCTURE REVENUE SUBCOMMITTEE

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; 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.--

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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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 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

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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.

SECTION 3. 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, 2029:

(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

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fund;

B. on and after July 1, 2029, 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, 2032 and prior to July 1, 2043 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 4. APPROPRIATION.--Four hundred million dollars ($400,000,000) is appropriated from the general fund to the transportation trust fund for expenditure in fiscal year 2028

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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.

SECTION 5. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2027.

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