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SENATE BILL 2

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

INTRODUCED BY

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and Art De La Cruz and Benny Shendo, Jr.

AN ACT

RELATING TO THE FINANCING OF HIGHWAY PROJECTS; PROVIDING
ADDITIONAL BONDING AUTHORITY TO THE STATE TRANSPORTATION
COMMISSION FOR STATE HIGHWAY PROJECTS IDENTIFIED IN THE
STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM; REQUIRING THE
DEPARTMENT OF TRANSPORTATION TO INCLUDE A REPORT ON HIGHWAY
PROJECT SELECTION AND PRIORITIES FINANCED BY BONDS IN ITS
ANNUAL BUDGET REQUEST; INCREASING THE WEIGHT DISTANCE TAX FOR
MOTOR VEHICLES OTHER THAN BUSES; INCREASING REGISTRATION FEES
FOR PASSENGER VEHICLES; REQUIRING ADDITIONAL REGISTRATION FEES
FOR ELECTRIC AND PLUG-IN HYBRID ELECTRIC VEHICLES AND
DISTRIBUTING THE ADDITIONAL FEES TO THE STATE ROAD FUND;
ADJUSTING CERTAIN FORMULAIC DISTRIBUTIONS OF MOTOR VEHICLE
FEES.

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

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SECTION 1. Section 7-15A-6 NMSA 1978 (being Laws 1988,
Chapter 73, Section 33, as amended) is amended to read:

"7-15A-6. TAX RATE FOR MOTOR VEHICLES OTHER THAN BUSES--
REDUCTION OF RATE FOR ONE-WAY HAULS.--

A. For on-highway operations of motor vehicles
other than buses, the weight distance tax shall be computed in
accordance with the following schedule:

Declared Gross Weight	Tax Rate
(Gross Vehicle Weight)	(Mills per Mile)
26,001 to 28,000	[11.01] <u>14.86</u>
28,001 to 30,000	[11.88] <u>16.04</u>
30,001 to 32,000	[12.77] <u>17.24</u>
32,001 to 34,000	[13.64] <u>18.41</u>
34,001 to 36,000	[14.52] <u>19.60</u>
36,001 to 38,000	[15.39] <u>20.78</u>
38,001 to 40,000	[16.73] <u>22.59</u>
40,001 to 42,000	[18.05] <u>24.37</u>
42,001 to 44,000	[19.36] <u>26.14</u>
44,001 to 46,000	[20.69] <u>27.93</u>
46,001 to 48,000	[22.01] <u>29.71</u>
48,001 to 50,000	[23.33] <u>31.50</u>
50,001 to 52,000	[24.65] <u>33.28</u>
52,001 to 54,000	[25.96] <u>35.05</u>
54,001 to 56,000	[27.29] <u>36.84</u>
56,001 to 58,000	[28.62] <u>38.64</u>

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1	58,001 to 60,000	[29.93] <u>40.41</u>
2	60,001 to 62,000	[31.24] <u>42.17</u>
3	62,001 to 64,000	[32.58] <u>43.98</u>
4	64,001 to 66,000	[33.90] <u>45.77</u>
5	66,001 to 68,000	[35.21] <u>47.53</u>
6	68,001 to 70,000	[36.52] <u>49.30</u>
7	70,001 to 72,000	[37.86] <u>51.11</u>
8	72,001 to 74,000	[39.26] <u>53.00</u>
9	74,001 to 76,000	[40.71] <u>54.96</u>
10	76,001 to 78,000	[42.21] <u>56.98</u>
11	78,001 and over	[43.78] <u>59.10.</u>

12 B. All motor vehicles for which the tax is computed
13 under Subsection A of this section shall pay a tax that is two-
14 thirds of the tax computed under Subsection A of this section
15 if:

16 (1) the motor vehicle is customarily used for
17 one-way haul;

18 (2) forty-five percent or more of the mileage
19 traveled by the motor vehicle for a registration year is
20 mileage that is traveled empty of all load; and

21 (3) the registrant, owner or operator of the
22 vehicle attempting to qualify under this subsection has made a
23 sworn application to the department to be classified under this
24 subsection for a registration year and has given whatever
25 information is required by the department to determine the

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1 eligibility of the vehicle to be classified under this
2 subsection and the vehicle has been so classified."

3 SECTION 2. Section 66-6-2 NMSA 1978 (being Laws 1978,
4 Chapter 35, Section 337, as amended) is amended to read:

5 "66-6-2. PASSENGER VEHICLES--REGISTRATION FEES.--For the
6 registration of motor vehicles other than motorcycles, trucks,
7 buses and tractors, the division shall collect the following
8 fees for each twelve-month registration period:

9 A. for a vehicle whose gross factory shipping
10 weight is not more than two thousand pounds, [~~twenty-seven~~
11 ~~dollars (\$27.00)] thirty-three dollars seventy-five cents
12 (\$33.75); provided, however, that after five years of
13 registration, calculated from the date when the vehicle was
14 first registered in this or another state, the fee is [~~twenty-~~
15 ~~one dollars (\$21.00)] twenty-six dollars twenty-five cents
16 (\$26.25);~~~~

17 B. for a vehicle whose gross factory shipping
18 weight is more than two thousand but not more than three
19 thousand pounds, [~~thirty-nine dollars (\$39.00)] forty-eight
20 dollars seventy-five cents (\$48.75); provided, however, that
21 after five years of registration, calculated from the date when
22 the vehicle was first registered in this or another state, the
23 fee is [~~thirty-one dollars (\$31.00)] thirty-eight dollars
24 seventy-five cents (\$38.75);~~~~

25 C. for a vehicle whose gross factory shipping

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1 weight is more than three thousand pounds, [~~fifty-six dollars~~
2 ~~(\$56.00)~~] seventy dollars (\$70.00); provided, however, that
3 after five years of registration, calculated from the date when
4 the vehicle was first registered in this or another state, the
5 fee is [~~forty-five dollars (\$45.00)~~] fifty-six dollars twenty-
6 five cents (\$56.25); and

7 D. for a vehicle registered pursuant to the
8 provisions of this section, a tire recycling fee of one dollar
9 fifty cents (\$1.50)."

10 SECTION 3. A new section of the Motor Vehicle Code is
11 enacted to read:

12 "[NEW MATERIAL] ADDITIONAL REGISTRATION FEE--ELECTRIC AND
13 PLUG-IN HYBRID ELECTRIC VEHICLES.--

14 A. For registration of vehicles subject to the
15 registration fees imposed by Section 66-6-2 NMSA 1978, there is
16 imposed an additional annual fee due at the time of initial
17 registration and subsequent registration renewals in the
18 following amounts for each twelve-month period that an electric
19 vehicle with a gross vehicle weight of twenty-six thousand
20 pounds or less is registered:

21 (1) beginning January 1, 2027 and prior to
22 January 1, 2028, seventy dollars (\$70.00);

23 (2) beginning January 1, 2028 and prior to
24 January 1, 2029, eighty dollars (\$80.00); and

25 (3) on and after January 1, 2029, ninety

1 dollars (\$90.00).

2 B. For registration of vehicles subject to the
3 registration fees imposed by Section 66-6-2 NMSA 1978, there is
4 imposed an additional annual fee due at the time of initial
5 registration and subsequent registration renewals in the
6 following amounts for each twelve-month period that a plug-in
7 hybrid electric vehicle with a gross vehicle weight of
8 twenty-six thousand pounds or less is registered:

9 (1) beginning January 1, 2027 and prior to
10 January 1, 2028, thirty-five dollars (\$35.00);

11 (2) beginning January 1, 2028 and prior to
12 January 1, 2029, forty dollars (\$40.00); and

13 (3) on and after January 1, 2029, forty-five
14 dollars (\$45.00).

15 C. All fees collected pursuant to this section
16 shall be paid to the state treasurer to the credit of the motor
17 vehicle suspense fund with distribution in accordance with
18 Section 66-6-23 NMSA 1978.

19 D. The division shall determine whether a motor
20 vehicle is an electric vehicle or a plug-in hybrid electric
21 vehicle based on the vehicle's fuel type or power train
22 classification as identified through the vehicle identification
23 number decoding process or other standardized vehicle attribute
24 data source used by the division."

25 SECTION 4. Section 66-6-23 NMSA 1978 (being Laws 1978,

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Chapter 35, Section 358, as amended) is amended to read:

"66-6-23. DISPOSITION OF FEES.--

A. After the necessary disbursements for refunds and other purposes have been made, the money remaining in the motor vehicle suspense fund, except for remittances received within the previous two months that are unidentified as to source or disposition, shall be distributed as follows:

(1) to each municipality, county or fee agent operating a motor vehicle field office:

(a) an amount equal to six dollars (\$6.00) per driver's license and five dollars (\$5.00) per identification card or motor vehicle or motorboat registration or title transaction performed;

(b) for each such agent determined by the secretary pursuant to Section 66-2-16 NMSA 1978 to have performed ten thousand or more transactions in the preceding fiscal year, other than a class A county with a population exceeding three hundred thousand or a municipality with a population exceeding three hundred thousand that has been designated as an agent pursuant to Section 66-2-14.1 NMSA 1978, an amount equal to one dollar (\$1.00) in addition to the amount distributed pursuant to Subparagraph (a) of this paragraph for each driver's license, identification card, motor vehicle registration, motorboat registration or title transaction performed; and

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1 (c) to each military installation
2 designated as a fee agent pursuant to Section 66-2-14.1 NMSA
3 1978, an amount equal to one dollar fifty cents (\$1.50) in
4 addition to the amount distributed pursuant to Subparagraph (a)
5 of this paragraph for each administrative service fee remitted
6 by the military installation to the department pursuant to
7 Subsection A of Section 66-2-16 NMSA 1978;

8 (2) to each municipality or county, other than
9 a class A county with a population exceeding three hundred
10 thousand or a municipality with a population exceeding three
11 hundred thousand that has been designated as an agent pursuant
12 to Section 66-2-14.1 NMSA 1978, operating a motor vehicle field
13 office, an amount equal to one dollar fifty cents (\$1.50) for
14 each administrative service fee remitted by that county or
15 municipality to the department pursuant to the provisions of
16 Subsection A of Section 66-2-16 NMSA 1978;

17 (3) to the state road fund:

18 (a) an amount equal to the fees
19 collected pursuant to Sections 66-7-413 and 66-7-413.4 NMSA
20 1978;

21 (b) an amount equal to the fee collected
22 pursuant to Section 66-3-417 NMSA 1978;

23 (c) the remainder of each driver's
24 license fee collected by the department employees from an
25 applicant to whom a license is granted after deducting from the

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1 driver's license fee the amount of the distribution authorized
2 in Paragraph (1) of this subsection with respect to that
3 collected driver's license fee; ~~and~~

4 (d) an amount equal to fifty percent of
5 the fees collected pursuant to Section 66-6-19 NMSA 1978; and

6 (e) an amount equal to the fees
7 collected pursuant to Section 3 of this 2026 act;

8 (4) to the local governments road fund, the
9 amount of the fees collected pursuant to Subsection B of
10 Section 66-5-33.1 NMSA 1978 and the remainder of the fees
11 collected pursuant to Subsection A of Section 66-5-408 NMSA
12 1978;

13 (5) to the department:

14 (a) any amounts reimbursed to the
15 department pursuant to Subsection D of Section 66-2-14.1 NMSA
16 1978;

17 (b) an amount equal to two dollars
18 (\$2.00) of each motorcycle registration fee collected pursuant
19 to Section 66-6-1 NMSA 1978;

20 (c) an amount equal to the fees provided
21 for in Subsection D of Section 66-2-7 NMSA 1978, Subsection E
22 of Section 66-2-16 NMSA 1978, Subsections K and L of Section
23 66-3-6 NMSA 1978 other than the administrative fee, Subsection
24 C of Section 66-5-44 NMSA 1978 and Subsection B of Section
25 66-5-408 NMSA 1978;

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1 (d) the amounts due to the department
2 for the manufacture and issuance of a special registration
3 plate collected pursuant to the section of law authorizing the
4 issuance of the specialty plate;

5 (e) an amount equal to the registration
6 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the
7 purposes of enforcing the provisions of the Mandatory Financial
8 Responsibility Act and for creating and maintaining a
9 multilanguage noncommercial driver's license testing program;
10 and after those purposes are met, the balance of the
11 registration fees shall be distributed to the department to
12 defray the costs of operating the division;

13 (f) an amount equal to fifty cents
14 (\$.50) for each administrative fee remitted to the department
15 by a county or municipality operating a motor vehicle field
16 office pursuant to Subsection A of Section 66-2-16 NMSA 1978;

17 (g) an amount equal to one dollar
18 twenty-five cents (\$.25) for each administrative fee collected
19 by the department or any of its agents other than a county or
20 municipality operating a motor vehicle field office pursuant to
21 Subsection A of Section 66-2-16 NMSA 1978; and

22 (h) an amount equal to the royalties or
23 other consideration paid by commercial users of databases of
24 motor vehicle-related records of the department pursuant to
25 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose of

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1 defraying the costs of maintaining databases of motor vehicle-
2 related records of the department; and after that purpose is
3 met, the balance of the royalties and other consideration shall
4 be distributed to the department to defray the costs of
5 operating the division or for use pursuant to Subsection F of
6 Section 66-6-13 NMSA 1978;

7 (6) to each New Mexico institution of higher
8 education, an amount equal to that part of the fees distributed
9 pursuant to Paragraph (2) of Subsection D of Section 66-3-416
10 NMSA 1978 proportionate to the number of special registration
11 plates issued in the name of the institution to all such
12 special registration plates issued in the name of all
13 institutions;

14 (7) to the armed forces veterans license fund,
15 the amount to be distributed pursuant to Paragraph (2) of
16 Subsection E of Section 66-3-419 NMSA 1978;

17 (8) to the children's trust fund, the amount
18 to be distributed pursuant to Paragraph (2) of Subsection D of
19 Section 66-3-420 NMSA 1978;

20 (9) to the department of transportation, an
21 amount equal to the fees collected pursuant to Section 66-5-35
22 NMSA 1978;

23 (10) to the state equalization guarantee
24 distribution made annually pursuant to the general
25 appropriation act, an amount equal to one hundred percent of

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1 the driver safety fee collected pursuant to Subsection D of
2 Section 66-5-44 NMSA 1978;

3 (11) to the motorcycle training fund, seven
4 dollars (\$7.00) of each motorcycle registration fee collected
5 pursuant to Section 66-6-1 NMSA 1978;

6 (12) to the recycling and illegal dumping
7 fund:

8 (a) fifty cents (\$.50) of the tire
9 recycling fee collected pursuant to the provisions of Section
10 66-6-1 NMSA 1978;

11 (b) fifty cents (\$.50) of each of the
12 tire recycling fees collected pursuant to the provisions of
13 Sections 66-6-2 and 66-6-4 NMSA 1978; and

14 (c) twenty-five cents (\$.25) of each of
15 the tire recycling fees collected pursuant to Sections 66-6-5
16 and 66-6-8 NMSA 1978;

17 (13) to the highway infrastructure fund:

18 (a) fifty cents (\$.50) of the tire
19 recycling fee collected pursuant to the provisions of Section
20 66-6-1 NMSA 1978;

21 (b) one dollar (\$1.00) of each of the
22 tire recycling fees collected pursuant to the provisions of
23 Sections 66-6-2 and 66-6-4 NMSA 1978; and

24 (c) twenty-five cents (\$.25) of each of
25 the tire recycling fees collected pursuant to Sections 66-6-5

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1 and 66-6-8 NMSA 1978;

2 (14) to each county, an amount equal to fifty
3 percent of the fees collected pursuant to Section 66-6-19 NMSA
4 1978 multiplied by a fraction, the numerator of which is the
5 total mileage of public roads maintained by the county and the
6 denominator of which is the total mileage of public roads
7 maintained by all counties in the state;

8 (15) to the litter control and beautification
9 fund, an amount equal to the fees collected pursuant to Section
10 66-6-6.2 NMSA 1978;

11 (16) to the local government division of the
12 department of finance and administration, an amount equal to
13 the fees collected pursuant to Section 66-3-424.3 NMSA 1978 for
14 distribution to each county to support animal control spaying
15 and neutering programs in an amount proportionate to the number
16 of residents of that county who have purchased pet care special
17 registration plates pursuant to Section 66-3-424.3 NMSA 1978;
18 and

19 (17) to the Cumbres and Toltec scenic railroad
20 commission, twenty-five dollars (\$25.00) collected pursuant to
21 the Cumbres and Toltec scenic railroad special registration
22 plate.

23 B. The balance, exclusive of unidentified
24 remittances, shall be distributed in accordance with Section
25 66-6-23.1 NMSA 1978.

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1 C. If any of the paragraphs, subsections or
2 sections referred to in Subsection A of this section are
3 recompiled or otherwise redesignated without a corresponding
4 change to Subsection A of this section, the reference in
5 Subsection A of this section shall be construed to be the
6 recompiled or redesignated paragraph, subsection or section."

7 SECTION 5. Section 66-6-23.1 NMSA 1978 (being Laws 1999,
8 Chapter 49, Section 8, as amended) is amended to read:

9 "66-6-23.1. FORMULAIC DISTRIBUTION.--

10 A. The balance from Section 66-6-23 NMSA 1978 shall
11 be transferred or distributed by the state treasurer on or
12 before the last day of the month next after its receipt, as
13 follows:

14 (1) [~~seventy-four and sixty-five~~] seventy-nine
15 and seventy-two hundredths percent shall be distributed to the
16 state road fund;

17 (2) [~~seven and six-tenths~~] six and eight-
18 hundredths percent shall be transferred to each county in the
19 proportion, determined by the department in accordance with
20 Subsection B of this section, that the registration fees for
21 vehicles in that county are to the total registration fees for
22 vehicles in all counties;

23 (3) [~~seven and six-tenths~~] six and eight-
24 hundredths percent shall be transferred to the counties, with
25 each county receiving an amount equal to the proportion,

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1 determined by the secretary of transportation in accordance
2 with Subsection D of this section, that the mileage of public
3 roads maintained by the county is to the total mileage of
4 public roads maintained by all counties of the state. Amounts
5 distributed to each county in accordance with this paragraph
6 shall be credited to the respective county road fund and be
7 used for the improvement and maintenance of the public roads in
8 the county and to pay for the acquisition of rights of way and
9 material pits. For this purpose, the board of county
10 commissioners of each of the respective counties shall certify
11 by April 1 of each year to the secretary of transportation the
12 total mileage as of April 1 of that year; provided that in
13 their report, the boards of county commissioners shall identify
14 each of the public roads maintained by them by name, route and
15 location. By agreement and in cooperation with the department
16 of transportation, the boards of county commissioners of the
17 various counties may use or designate any of the funds provided
18 in this paragraph for a federal aid program;

19 (4) [~~four and six hundredths~~] three and
20 twenty-five hundredths percent shall be allocated among the
21 counties in the proportion, determined by the department in
22 accordance with Subsection B of this section, that the
23 registration fees for vehicles in that county are to the total
24 registration fees for vehicles in all counties. The amount
25 allocated to each county shall be transferred to the

1 incorporated municipalities within the county in the
2 proportion, determined by the department of finance and
3 administration in accordance with Subsection C of this section,
4 that the sum of net taxable value, as that term is defined in
5 the Property Tax Code, plus the assessed value, as that term is
6 used in the Oil and Gas Ad Valorem Production Tax Act and in
7 the Oil and Gas Production Equipment Ad Valorem Tax Act,
8 determined for the incorporated municipality is to the sum of
9 net taxable value plus assessed value determined for all
10 incorporated municipalities within the county. Amounts
11 transferred to incorporated municipalities pursuant to the
12 provisions of this paragraph shall be used for the
13 construction, maintenance and repair of streets within the
14 municipality and for payment of paving assessments against
15 property owned by federal, county or municipal governments. In
16 a county in which there are no incorporated municipalities, the
17 amount allocated pursuant to this paragraph shall be
18 transferred to the county government road fund and used in
19 accordance with the provisions of Paragraph (3) of this
20 subsection; and

21 (5) [~~six and nine hundredths~~] four and eighty-
22 seven hundredths percent shall be allocated among the counties
23 in the proportion, determined by the department of finance and
24 administration in accordance with Subsection C of this section,
25 that the registration fees for vehicles in that county are to

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1 the total registration fees for vehicles in all counties. The
2 amount allocated to each county shall be transferred to the
3 county and incorporated municipalities within the county in the
4 proportion, determined by the department of finance and
5 administration in accordance with Subsection B of this section,
6 that the computed taxes due for the county and each
7 incorporated municipality within the county bear to the total
8 computed taxes due for the county and incorporated
9 municipalities within the county. For the purposes of this
10 paragraph, the term "computed taxes due" for a jurisdiction
11 means the sum of the net taxable value, as that term is defined
12 in the Property Tax Code, plus the assessed value, as that term
13 is used in the Oil and Gas Ad Valorem Production Tax Act and in
14 the Oil and Gas Production Equipment Ad Valorem Tax Act, for
15 that jurisdiction multiplied by an average of the rates for
16 residential and nonresidential property imposed for that
17 jurisdiction pursuant to Subsection B of Section 7-37-7 NMSA
18 1978.

19 B. To carry out the provisions of this section,
20 during the month of June of each year:

21 (1) the department shall determine and certify
22 to the department of finance and administration the proportions
23 that the department is required to determine pursuant to
24 Subsection A of this section using information for the
25 preceding calendar year on the number of vehicles registered in

1 each county based on the address of the owner or place where
2 the vehicle is principally located, the registration fees for
3 the vehicles registered in each county, the total number of
4 vehicles registered in the state and the total registration
5 fees for all vehicles registered in the state; and

6 (2) the department of finance and
7 administration shall determine the proportions that the
8 department of finance and administration is required to
9 determine pursuant to this subsection based upon the net
10 taxable value, as that term is defined in the Property Tax
11 Code, and the assessed value, as that term is used in the Oil
12 and Gas Ad Valorem Production Tax Act and the Oil and Gas
13 Production Equipment Ad Valorem Tax Act, for the preceding tax
14 year and the tax rates imposed pursuant to Subsection B of
15 Section 7-37-7 NMSA 1978 in the preceding September.

16 C. By June 30 of each year, the department of
17 finance and administration shall determine the appropriate
18 percentage of money to be transferred to each county and
19 municipality for each purpose in accordance with Subsection A
20 of this section based upon the proportions determined by or
21 certified to the department of finance and administration. The
22 percentages determined shall be used to compute the amounts to
23 be transferred to the counties and municipalities during the
24 succeeding fiscal year.

25 D. The board of county commissioners of each of the

1 respective counties shall, by April 1 of every year, certify
2 reports to the secretary of transportation of the total mileage
3 of public roads maintained by each county as of April 1 of
4 every year; provided that in their reports, the boards of
5 county commissioners shall identify each of the public roads
6 maintained by them by name, route and location. By July 1 of
7 every year, the secretary of transportation shall verify the
8 reports of the counties and revise, if necessary, the total
9 mileage of public roads maintained by each county. The mileage
10 verified by the secretary of transportation shall be the
11 official mileage of public roads maintained by each county.
12 Distribution of amounts to a county for road purposes shall be
13 made in accordance with this section.

14 E. If a county has not made the required mileage
15 certification pursuant to Section 67-3-28.3 NMSA 1978 by April
16 1 of any year, the secretary of transportation shall estimate
17 the mileage maintained by those counties for the purpose of
18 making distribution to all counties, and the amount calculated
19 to be distributed each month to those counties not certifying
20 mileage shall be reduced by one-third each month for that
21 fiscal year, and that amount not distributed to those counties
22 shall be distributed equally to all counties that have
23 certified mileages."

24 SECTION 6. Section 67-3-59.1 NMSA 1978 (being Laws 1989,
25 Chapter 157, Section 1, as amended) is amended to read:

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1 "67-3-59.1. STATE HIGHWAY DEBENTURES--ISSUANCE--LIMITS--
2 APPROVAL--COUPONS.--

3 A. In order to provide funds to finance state
4 highway projects, including state highway projects that are
5 required for the waste isolation pilot project and are eligible
6 for federal reimbursement or payment as authorized by federal
7 legislation, the state transportation commission is authorized,
8 subject to the limitations of this section, to issue bonds from
9 time to time, payable from federal funds not otherwise
10 obligated that are paid into the state road fund and the
11 proceeds of the collection of taxes and fees that are required
12 by law to be paid into the state road fund and not otherwise
13 pledged solely to the payment of outstanding bonds and
14 debentures.

15 B. Except as provided in Subsections C, [~~and~~] D and
16 E of this section, the total aggregate outstanding principal
17 amount of bonds issued from time to time pursuant to this
18 section, secured by or payable from federal funds not otherwise
19 obligated that are paid into the state road fund and the
20 proceeds from the collection of taxes and fees required by law
21 to be paid into the state road fund, shall not, without
22 additional authorization of the state legislature, exceed one
23 hundred fifty million dollars (\$150,000,000) at any given time,
24 subject to the following provisions:

- 25 (1) the total aggregate outstanding principal

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1 amount of bonds issued for state highway projects that are
2 required for the waste isolation pilot project and are eligible
3 for federal reimbursement or payment as authorized by federal
4 legislation shall not exceed one hundred million dollars
5 (\$100,000,000); and

6 (2) the total aggregate outstanding principal
7 amount of bonds issued for state highway projects other than
8 state highway projects that are required for the waste
9 isolation pilot project and are eligible for federal
10 reimbursement or payment as authorized by federal legislation
11 shall not exceed fifty million dollars (\$50,000,000).

12 C. Upon specific authorization and appropriation by
13 the legislature, and subject to the limitations of Subsection D
14 of this section, an additional amount of bonds may be issued
15 pursuant to this section for state highway projects, to be
16 secured by or payable from taxes or fees required by law to be
17 paid into the state road fund and federal funds not otherwise
18 obligated that are paid into the state road fund, and, as
19 applicable, taxes or fees required by law to be paid into the
20 highway infrastructure fund, as follows:

21 (1) an aggregate outstanding principal amount
22 of bonds, not to exceed six hundred twenty-four million dollars
23 (\$624,000,000), for major highway infrastructure projects for
24 which the department has, prior to January 1, 1998, submitted
25 or initiated the process of submitting a plan to the federal

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1 highway administration for innovative financing pursuant to 23
2 USCA Sections 122 and 307;

3 (2) an aggregate outstanding principal amount
4 of bonds, not to exceed one hundred million dollars
5 (\$100,000,000), for state highway projects that are required
6 for the waste isolation pilot project and are eligible for
7 federal reimbursement; and

8 (3) an aggregate outstanding principal amount
9 of bonds, not to exceed four hundred million dollars
10 (\$400,000,000), for other state highway projects.

11 D. The total amount of bonds that may be issued by
12 the state transportation commission for state highway projects
13 pursuant to Subsection C of this section shall not exceed a
14 total aggregate outstanding principal amount of:

15 (1) three hundred million dollars
16 (\$300,000,000) prior to July 1, 1999;

17 (2) six hundred million dollars (\$600,000,000)
18 from July 1, 1999 through June 30, 2000;

19 (3) nine hundred million dollars
20 (\$900,000,000) from July 1, 2000 through June 30, 2001; and

21 (4) one billion one hundred twenty-four
22 million dollars (\$1,124,000,000) after June 30, 2001.

23 E. An additional one billion five hundred million
24 dollars (\$1,500,000,000) of total bond proceeds may be issued
25 pursuant to this section for state highway projects identified

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1 in the statewide transportation improvement program to be
2 secured by or payable from federal funds or from taxes or fees
3 not otherwise obligated and required by law to be paid into the
4 state road fund; provided that the issuance of the bonds shall
5 not cause the aggregate outstanding principal amount of bonds
6 issued by the state transportation commission to exceed one
7 billion one hundred twenty-four million dollars
8 (\$1,124,000,000). Bond proceeds issued pursuant to this
9 subsection shall not be used, directly or indirectly, to
10 redeem, refund, defease or otherwise retire any previously
11 issued bonds or other debt obligations of the state
12 transportation commission. The commission shall not issue
13 bonds pursuant to this subsection if the average issuance in
14 every fiscal year for which the bonds may be issued exceeds two
15 hundred ninety million dollars (\$290,000,000), including a
16 fiscal year in which no bonds are issued; provided that the
17 commission may issue bonds in an amount up to two hundred
18 twenty million dollars (\$220,000,000) for fiscal year 2026 to
19 secure associated federal grant funding for projects; and
20 provided further that bonds issued by the commission shall not
21 exceed a total of one hundred thirty million dollars
22 (\$130,000,000) during the December 2026 bond sale.

23 [~~E.~~] F. The state transportation commission may
24 issue bonds to refund other bonds issued pursuant to this
25 section by exchange or current or advance refunding.

1 ~~[F.]~~ G. Each series of bonds shall have a maturity
2 of no more than twenty-five years from the date of issuance.
3 The state transportation commission shall determine all other
4 terms, covenants and conditions of the bonds; provided that the
5 bonds shall not be issued pursuant to this section unless the
6 state board of finance approves the issuance of the bonds and
7 the principal amount of and interest rate or maximum net
8 effective interest rate on the bonds.

9 ~~[G.]~~ H. The bonds shall be executed with the manual
10 or facsimile signature of the ~~[chairman]~~ chair of the state
11 transportation commission, countersigned by the state treasurer
12 and attested to by the secretary of the state transportation
13 commission, with the seal of the state transportation
14 commission imprinted or otherwise affixed to the bonds.

15 ~~[H.]~~ I. Proceeds of the bonds may be used to pay
16 expenses incurred in the preparation, issuance and sale of the
17 bonds and, together with the earnings on the proceeds of the
18 bonds, may be used to pay rebate, penalty, interest and other
19 obligations relating to the bonds and the proceeds of the bonds
20 under the Internal Revenue Code of 1986, as amended.

21 ~~[I.]~~ J. The bonds may be sold at a public or
22 negotiated sale at, above or below par or through the New
23 Mexico finance authority. A negotiated sale shall be made with
24 one or more investment bankers whose services are obtained
25 through a competitive proposal process. For any sale, the

1 state transportation commission or the New Mexico finance
2 authority shall also procure the services of any financial
3 advisor or bond counsel through a competitive proposal process.
4 If sold at public sale, a notice of the time and place of sale
5 shall be published in a newspaper of general circulation in the
6 state, and in any other newspaper determined in the resolution
7 authorizing the issuance of the bonds, once each week for two
8 consecutive weeks prior to the date of sale. The bonds may be
9 purchased by the state treasurer or state investment officer.

10 ~~[J.]~~ K. This section is full authority for the
11 issuance and sale of the bonds, and the bonds shall not be
12 invalid for any irregularity or defect in the proceedings for
13 their issuance and sale and shall be incontestable in the hands
14 of bona fide purchasers or holders of the bond for value.

15 ~~[K.]~~ L. The bonds shall be legal investments for a
16 person or board charged with the investment of public funds and
17 may be accepted as security for a deposit of public money and,
18 with the interest thereon, are exempt from taxation by the
19 state and a political subdivision or agency of the state.

20 ~~[L.]~~ M. Any law authorizing the imposition or
21 distribution of taxes or fees paid into the state road fund or
22 the highway infrastructure fund or that affects those taxes and
23 fees shall not be amended or repealed or otherwise directly or
24 indirectly modified so as to impair outstanding bonds secured
25 by a pledge of revenues from those taxes and fees paid into the

1 state road fund or the highway infrastructure fund, unless the
2 bonds have been discharged in full or provisions have been made
3 for a full discharge. In addition, while any bonds issued by
4 the state transportation commission pursuant to the provisions
5 of this section remain outstanding, the powers or duties of the
6 commission shall not be diminished or impaired in any manner
7 that will affect adversely the interests and rights of the
8 holder of such bonds.

9 [M-] N. In contracting for state highway projects
10 to be paid in whole or in part with proceeds of bonds
11 authorized by this section, the department shall require that
12 any sand, gravel, caliche or similar material needed for the
13 project shall, if practicable, be mined from state lands. Each
14 contract shall provide that the contractor notify the
15 commissioner of public lands of the need for the material and
16 that, through lease or purchase, the material shall be mined
17 from state lands if:

18 (1) the material needed is available from
19 state lands in the vicinity of the project;

20 (2) the commissioner determines that the lease
21 or purchase is in the best interest of the state land trust
22 beneficiaries; and

23 (3) the cost to the contractor for the
24 material, including the costs of transportation, is competitive
25 with other available material from non-state lands.

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1 ~~[N.]~~ O. Bonds issued pursuant to this section shall
2 be paid solely from federal funds not otherwise obligated and
3 taxes and fees deposited into the state road fund and, as
4 applicable, the highway infrastructure fund, and shall not
5 constitute a general obligation of the state.

6 P. In the budget form submitted pursuant to Section
7 6-3-18 NMSA 1978, the department shall include a report on
8 highway projects to be financed pursuant to this section. The
9 report shall include:

10 (1) justification for the selection and
11 priority ranking of each project, including:

12 (a) traffic counts, accident rates and
13 the expected improvements to traffic flow and health and
14 safety;

15 (b) the ranking of the pavement and
16 substructure conditions;

17 (c) an assessment of economic
18 development impacts; and

19 (d) other information deemed significant
20 by the department;

21 (2) the expected life of the proposed project;

22 (3) the amount of revenue required to pay the
23 principal and interest of outstanding and proposed bonds based
24 on a five- and twenty-year forecast of the state road fund; and

25 (4) the effect of the bond program on the

1 department's construction and maintenance program."

2 SECTION 7. EFFECTIVE DATES.--

3 A. The effective date of the provisions of Sections
4 1, 2 and 5 of this act is July 1, 2026.

5 B. The effective date of the provisions of Sections
6 3 and 4 of this act is January 1, 2027.

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