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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:

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)

1	26,001 to 28,000	14.86
2	28,001 to 30,000	16.04
3	30,001 to 32,000	17.24
4	32,001 to 34,000	18.41
5	34,001 to 36,000	19.60
6	36,001 to 38,000	20.78
7	38,001 to 40,000	22.59
8	40,001 to 42,000	24.37
9	42,001 to 44,000	26.14
10	44,001 to 46,000	27.93
11	46,001 to 48,000	29.71
12	48,001 to 50,000	31.50
13	50,001 to 52,000	33.28
14	52,001 to 54,000	35.05
15	54,001 to 56,000	36.84
16	56,001 to 58,000	38.64
17	58,001 to 60,000	40.41
18	60,001 to 62,000	42.17
19	62,001 to 64,000	43.98
20	64,001 to 66,000	45.77
21	66,001 to 68,000	47.53
22	68,001 to 70,000	49.30
23	70,001 to 72,000	51.11
24	72,001 to 74,000	53.00
25	74,001 to 76,000	54.96

1	76,001 to 78,000	56.98
2	78,001 and over	59.10.

3 B. All motor vehicles for which the tax is
4 computed under Subsection A of this section shall pay a tax
5 that is two-thirds of the tax computed under Subsection A of
6 this section if:

7 (1) the motor vehicle is customarily used
8 for one-way haul;

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

12 (3) the registrant, owner or operator of the
13 vehicle attempting to qualify under this subsection has made
14 a sworn application to the department to be classified under
15 this subsection for a registration year and has given
16 whatever information is required by the department to
17 determine the eligibility of the vehicle to be classified
18 under this subsection and the vehicle has been so
19 classified."

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

22 "66-6-2. PASSENGER VEHICLES--REGISTRATION FEES.--For
23 the registration of motor vehicles other than motorcycles,
24 trucks, buses and tractors, the division shall collect the
25 following fees for each twelve-month registration period:

1 A. for a vehicle whose gross factory shipping
2 weight is not more than two thousand pounds, thirty-three
3 dollars seventy-five cents (\$33.75); provided, however, that
4 after five years of registration, calculated from the date
5 when the vehicle was first registered in this or another
6 state, the fee is twenty-six dollars twenty-five cents
7 (\$26.25);

8 B. for a vehicle whose gross factory shipping
9 weight is more than two thousand but not more than three
10 thousand pounds, forty-eight dollars seventy-five cents
11 (\$48.75); provided, however, that after five years of
12 registration, calculated from the date when the vehicle was
13 first registered in this or another state, the fee is
14 thirty-eight dollars seventy-five cents (\$38.75);

15 C. for a vehicle whose gross factory shipping
16 weight is more than three thousand pounds, seventy dollars
17 (\$70.00); provided, however, that after five years of
18 registration, calculated from the date when the vehicle was
19 first registered in this or another state, the fee is
20 fifty-six dollars twenty-five cents (\$56.25); and

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

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

1 "ADDITIONAL REGISTRATION FEE--ELECTRIC AND PLUG-IN
2 HYBRID ELECTRIC VEHICLES.--

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

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

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

14 (3) on and after January 1, 2029, ninety
15 dollars (\$90.00).

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

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

25 (2) beginning January 1, 2028 and prior to

1 January 1, 2029, forty dollars (\$40.00); and

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

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

8 D. The division shall determine whether a motor
9 vehicle is an electric vehicle or a plug-in hybrid electric
10 vehicle based on the vehicle's fuel type or power train
11 classification as identified through the vehicle
12 identification number decoding process or other standardized
13 vehicle attribute data source used by the division."

14 SECTION 4. Section 66-6-23 NMSA 1978 (being Laws 1978,
15 Chapter 35, Section 358, as amended) is amended to read:

16 "66-6-23. DISPOSITION OF FEES.--

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

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

24 (a) an amount equal to six dollars
25 (\$6.00) per driver's license and five dollars (\$5.00) per

1 identification card or motor vehicle or motorboat
2 registration or title transaction performed;

3 (b) for each such agent determined by
4 the secretary pursuant to Section 66-2-16 NMSA 1978 to have
5 performed ten thousand or more transactions in the preceding
6 fiscal year, other than a class A county with a population
7 exceeding three hundred thousand or a municipality with a
8 population exceeding three hundred thousand that has been
9 designated as an agent pursuant to Section 66-2-14.1 NMSA
10 1978, an amount equal to one dollar (\$1.00) in addition to
11 the amount distributed pursuant to Subparagraph (a) of this
12 paragraph for each driver's license, identification card,
13 motor vehicle registration, motorboat registration or title
14 transaction performed; and

15 (c) to each military installation
16 designated as a fee agent pursuant to Section 66-2-14.1 NMSA
17 1978, an amount equal to one dollar fifty cents (\$1.50) in
18 addition to the amount distributed pursuant to Subparagraph
19 (a) of this paragraph for each administrative service fee
20 remitted by the military installation to the department
21 pursuant to Subsection A of Section 66-2-16 NMSA 1978;

22 (2) to each municipality or county, other
23 than a class A county with a population exceeding three
24 hundred thousand or a municipality with a population
25 exceeding three hundred thousand that has been designated as

1 an agent pursuant to Section 66-2-14.1 NMSA 1978, operating a
2 motor vehicle field office, an amount equal to one dollar
3 fifty cents (\$1.50) for each administrative service fee
4 remitted by that county or municipality to the department
5 pursuant to the provisions of Subsection A of Section 66-2-16
6 NMSA 1978;

7 (3) to the state road fund:

8 (a) an amount equal to the fees
9 collected pursuant to Sections 66-7-413 and 66-7-413.4
10 NMSA 1978;

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

13 (c) the remainder of each driver's
14 license fee collected by the department employees from an
15 applicant to whom a license is granted after deducting from
16 the driver's license fee the amount of the distribution
17 authorized in Paragraph (1) of this subsection with respect
18 to that collected driver's license fee;

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

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

23 (4) to the local governments road fund, the
24 amount of the fees collected pursuant to Subsection B of
25 Section 66-5-33.1 NMSA 1978 and the remainder of the fees

1 collected pursuant to Subsection A of Section 66-5-408 NMSA
2 1978;

3 (5) to the department:

4 (a) any amounts reimbursed to the
5 department pursuant to Subsection D of Section 66-2-14.1 NMSA
6 1978;

7 (b) an amount equal to two dollars
8 (\$2.00) of each motorcycle registration fee collected
9 pursuant to Section 66-6-1 NMSA 1978;

10 (c) an amount equal to the fees
11 provided for in Subsection D of Section 66-2-7 NMSA 1978,
12 Subsection E of Section 66-2-16 NMSA 1978, Subsections K and
13 L of Section 66-3-6 NMSA 1978 other than the administrative
14 fee, Subsection C of Section 66-5-44 NMSA 1978 and Subsection
15 B of Section 66-5-408 NMSA 1978;

16 (d) the amounts due to the department
17 for the manufacture and issuance of a special registration
18 plate collected pursuant to the section of law authorizing
19 the issuance of the specialty plate;

20 (e) an amount equal to the registration
21 fees collected pursuant to Section 66-6-6.1 NMSA 1978 for the
22 purposes of enforcing the provisions of the Mandatory
23 Financial Responsibility Act and for creating and maintaining
24 a multilanguage noncommercial driver's license testing
25 program; and after those purposes are met, the balance of the

1 registration fees shall be distributed to the department to
2 defray the costs of operating the division;

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

7 (g) an amount equal to one dollar
8 twenty-five cents (\$1.25) for each administrative fee
9 collected by the department or any of its agents other than a
10 county or municipality operating a motor vehicle field office
11 pursuant to Subsection A of Section 66-2-16 NMSA 1978; and

12 (h) an amount equal to the royalties or
13 other consideration paid by commercial users of databases of
14 motor vehicle-related records of the department pursuant to
15 Subsection C of Section 14-3-15.1 NMSA 1978 for the purpose
16 of defraying the costs of maintaining databases of motor
17 vehicle-related records of the department; and after that
18 purpose is met, the balance of the royalties and other
19 consideration shall be distributed to the department to
20 defray the costs of operating the division or for use
21 pursuant to Subsection F of Section 66-6-13 NMSA 1978;

22 (6) to each New Mexico institution of higher
23 education, an amount equal to that part of the fees
24 distributed pursuant to Paragraph (2) of Subsection D of
25 Section 66-3-416 NMSA 1978 proportionate to the number of

1 special registration plates issued in the name of the
2 institution to all such special registration plates issued in
3 the name of all institutions;

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

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

10 (9) to the department of transportation, an
11 amount equal to the fees collected pursuant to Section
12 66-5-35 NMSA 1978;

13 (10) to the state equalization guarantee
14 distribution made annually pursuant to the general
15 appropriation act, an amount equal to one hundred percent of
16 the driver safety fee collected pursuant to Subsection D of
17 Section 66-5-44 NMSA 1978;

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

21 (12) to the recycling and illegal dumping
22 fund:

23 (a) fifty cents (\$.50) of the tire
24 recycling fee collected pursuant to the provisions of Section
25 66-6-1 NMSA 1978;

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

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

7 (13) to the highway infrastructure 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) one dollar (\$1.00) 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 (14) to each county, an amount equal to
18 fifty percent of the fees collected pursuant to Section
19 66-6-19 NMSA 1978 multiplied by a fraction, the numerator of
20 which is the total mileage of public roads maintained by the
21 county and the denominator of which is the total mileage of
22 public roads maintained by all counties in the state;

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

1 (16) to the local government division of the
2 department of finance and administration, an amount equal to
3 the fees collected pursuant to Section 66-3-424.3 NMSA 1978
4 for distribution to each county to support animal control
5 spaying and neutering programs in an amount proportionate to
6 the number of residents of that county who have purchased pet
7 care special registration plates pursuant to Section
8 66-3-424.3 NMSA 1978; and

9 (17) to the Cumbres and Toltec scenic
10 railroad commission, twenty-five dollars (\$25.00) collected
11 pursuant to the Cumbres and Toltec scenic railroad special
12 registration plate.

13 B. The balance, exclusive of unidentified
14 remittances, shall be distributed in accordance with Section
15 66-6-23.1 NMSA 1978.

16 C. If any of the paragraphs, subsections or
17 sections referred to in Subsection A of this section are
18 recompiled or otherwise redesignated without a corresponding
19 change to Subsection A of this section, the reference in
20 Subsection A of this section shall be construed to be the
21 recompiled or redesignated paragraph, subsection or section."

22 SECTION 5. Section 66-6-23.1 NMSA 1978 (being Laws
23 1999, Chapter 49, Section 8, as amended) is amended to read:

24 "66-6-23.1. FORMULAIC DISTRIBUTION.--

25 A. The balance from Section 66-6-23 NMSA 1978

1 shall be transferred or distributed by the state treasurer on
2 or before the last day of the month next after its receipt,
3 as follows:

4 (1) seventy-nine and seventy-two hundredths
5 percent shall be distributed to the state road fund;

6 (2) six and eight-hundredths percent shall
7 be transferred to each county in the proportion, determined
8 by the department in accordance with Subsection B of this
9 section, that the registration fees for vehicles in that
10 county are to the total registration fees for vehicles in all
11 counties;

12 (3) six and eight-hundredths percent shall
13 be transferred to the counties, with each county receiving an
14 amount equal to the proportion, determined by the secretary
15 of transportation in accordance with Subsection D of this
16 section, that the mileage of public roads maintained by the
17 county is to the total mileage of public roads maintained by
18 all counties of the state. Amounts distributed to each
19 county in accordance with this paragraph shall be credited to
20 the respective county road fund and be used for the
21 improvement and maintenance of the public roads in the county
22 and to pay for the acquisition of rights of way and material
23 pits. For this purpose, the board of county commissioners of
24 each of the respective counties shall certify by April 1 of
25 each year to the secretary of transportation the total

1 mileage as of April 1 of that year; provided that in their
2 report, the boards of county commissioners shall identify
3 each of the public roads maintained by them by name, route
4 and location. By agreement and in cooperation with the
5 department of transportation, the boards of county
6 commissioners of the various counties may use or designate
7 any of the funds provided in this paragraph for a federal aid
8 program;

9 (4) three and twenty-five hundredths percent
10 shall be allocated among the counties in the proportion,
11 determined by the department in accordance with Subsection B
12 of this section, that the registration fees for vehicles in
13 that county are to the total registration fees for vehicles
14 in all counties. The amount allocated to each county shall
15 be transferred to the incorporated municipalities within the
16 county in the proportion, determined by the department of
17 finance and administration in accordance with Subsection C of
18 this section, that the sum of net taxable value, as that term
19 is defined in the Property Tax Code, plus the assessed value,
20 as that term is used in the Oil and Gas Ad Valorem Production
21 Tax Act and in the Oil and Gas Production Equipment Ad
22 Valorem Tax Act, determined for the incorporated municipality
23 is to the sum of net taxable value plus assessed value
24 determined for all incorporated municipalities within the
25 county. Amounts transferred to incorporated municipalities

1 pursuant to the provisions of this paragraph shall be used
2 for the construction, maintenance and repair of streets
3 within the municipality and for payment of paving assessments
4 against property owned by federal, county or municipal
5 governments. In a county in which there are no incorporated
6 municipalities, the amount allocated pursuant to this
7 paragraph shall be transferred to the county government road
8 fund and used in accordance with the provisions of Paragraph
9 (3) of this subsection; and

10 (5) four and eighty-seven hundredths percent
11 shall be allocated among the counties in the proportion,
12 determined by the department of finance and administration in
13 accordance with Subsection C of this section, that the
14 registration fees for vehicles in that county are to the
15 total registration fees for vehicles in all counties. The
16 amount allocated to each county shall be transferred to the
17 county and incorporated municipalities within the county in
18 the proportion, determined by the department of finance and
19 administration in accordance with Subsection B of this
20 section, that the computed taxes due for the county and each
21 incorporated municipality within the county bear to the total
22 computed taxes due for the county and incorporated
23 municipalities within the county. For the purposes of this
24 paragraph, the term "computed taxes due" for a jurisdiction
25 means the sum of the net taxable value, as that term is

1 defined in the Property Tax Code, plus the assessed value, as
2 that term is used in the Oil and Gas Ad Valorem Production
3 Tax Act and in the Oil and Gas Production Equipment Ad
4 Valorem Tax Act, for that jurisdiction multiplied by an
5 average of the rates for residential and nonresidential
6 property imposed for that jurisdiction pursuant to Subsection
7 B of Section 7-37-7 NMSA 1978.

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

10 (1) the department shall determine and
11 certify to the department of finance and administration the
12 proportions that the department is required to determine
13 pursuant to Subsection A of this section using information
14 for the preceding calendar year on the number of vehicles
15 registered in each county based on the address of the owner
16 or place where the vehicle is principally located, the
17 registration fees for the vehicles registered in each county,
18 the total number of vehicles registered in the state and the
19 total registration fees for all vehicles registered in the
20 state; and

21 (2) the department of finance and
22 administration shall determine the proportions that the
23 department of finance and administration is required to
24 determine pursuant to this subsection based upon the net
25 taxable value, as that term is defined in the Property Tax

1 Code, and the assessed value, as that term is used in the Oil
2 and Gas Ad Valorem Production Tax Act and the Oil and Gas
3 Production Equipment Ad Valorem Tax Act, for the preceding
4 tax year and the tax rates imposed pursuant to Subsection B
5 of Section 7-37-7 NMSA 1978 in the preceding September.

6 C. By June 30 of each year, the department of
7 finance and administration shall determine the appropriate
8 percentage of money to be transferred to each county and
9 municipality for each purpose in accordance with Subsection A
10 of this section based upon the proportions determined by or
11 certified to the department of finance and administration.
12 The percentages determined shall be used to compute the
13 amounts to be transferred to the counties and municipalities
14 during the succeeding fiscal year.

15 D. The board of county commissioners of each of
16 the respective counties shall, by April 1 of every year,
17 certify reports to the secretary of transportation of the
18 total mileage of public roads maintained by each county as of
19 April 1 of every year; provided that in their reports, the
20 boards of county commissioners shall identify each of the
21 public roads maintained by them by name, route and location.
22 By July 1 of every year, the secretary of transportation
23 shall verify the reports of the counties and revise, if
24 necessary, the total mileage of public roads maintained by
25 each county. The mileage verified by the secretary of

1 transportation shall be the official mileage of public roads
2 maintained by each county. Distribution of amounts to a
3 county for road purposes shall be made in accordance with
4 this section.

5 E. If a county has not made the required mileage
6 certification pursuant to Section 67-3-28.3 NMSA 1978 by
7 April 1 of any year, the secretary of transportation shall
8 estimate the mileage maintained by those counties for the
9 purpose of making distribution to all counties, and the
10 amount calculated to be distributed each month to those
11 counties not certifying mileage shall be reduced by one-third
12 each month for that fiscal year, and that amount not
13 distributed to those counties shall be distributed equally to
14 all counties that have certified mileages."

15 SECTION 6. Section 67-3-59.1 NMSA 1978 (being Laws
16 1989, Chapter 157, Section 1, as amended) is amended to read:

17 "67-3-59.1. STATE HIGHWAY DEBENTURES--ISSUANCE--
18 LIMITS--APPROVAL--COUPONS.--

19 A. In order to provide funds to finance state
20 highway projects, including state highway projects that are
21 required for the waste isolation pilot project and are
22 eligible for federal reimbursement or payment as authorized
23 by federal legislation, the state transportation commission
24 is authorized, subject to the limitations of this section, to
25 issue bonds from time to time, payable from federal funds not

1 otherwise obligated that are paid into the state road fund
2 and the proceeds of the collection of taxes and fees that are
3 required by law to be paid into the state road fund and not
4 otherwise pledged solely to the payment of outstanding bonds
5 and debentures.

6 B. Except as provided in Subsections C, D and E of
7 this section, the total aggregate outstanding principal
8 amount of bonds issued from time to time pursuant to this
9 section, secured by or payable from federal funds not
10 otherwise obligated that are paid into the state road fund
11 and the proceeds from the collection of taxes and fees
12 required by law to be paid into the state road fund, shall
13 not, without additional authorization of the state
14 legislature, exceed one hundred fifty million dollars
15 (\$150,000,000) at any given time, subject to the following
16 provisions:

17 (1) the total aggregate outstanding
18 principal amount of bonds issued for state highway projects
19 that are required for the waste isolation pilot project and
20 are eligible for federal reimbursement or payment as
21 authorized by federal legislation shall not exceed one
22 hundred million dollars (\$100,000,000); and

23 (2) the total aggregate outstanding
24 principal amount of bonds issued for state highway projects
25 other than state highway projects that are required for the

1 waste isolation pilot project and are eligible for federal
2 reimbursement or payment as authorized by federal legislation
3 shall not exceed fifty million dollars (\$50,000,000).

4 C. Upon specific authorization and appropriation
5 by the legislature, and subject to the limitations of
6 Subsection D of this section, an additional amount of bonds
7 may be issued pursuant to this section for state highway
8 projects, to be secured by or payable from taxes or fees
9 required by law to be paid into the state road fund and
10 federal funds not otherwise obligated that are paid into the
11 state road fund, and, as applicable, taxes or fees required
12 by law to be paid into the highway infrastructure fund, as
13 follows:

14 (1) an aggregate outstanding principal
15 amount of bonds, not to exceed six hundred twenty-four
16 million dollars (\$624,000,000), for major highway
17 infrastructure projects for which the department has, prior
18 to January 1, 1998, submitted or initiated the process of
19 submitting a plan to the federal highway administration for
20 innovative financing pursuant to 23 USCA Sections 122 and
21 307;

22 (2) an aggregate outstanding principal
23 amount of bonds, not to exceed one hundred million dollars
24 (\$100,000,000), for state highway projects that are required
25 for the waste isolation pilot project and are eligible for

1 federal reimbursement; and

2 (3) an aggregate outstanding principal
3 amount of bonds, not to exceed four hundred million dollars
4 (\$400,000,000), for other state highway projects.

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

9 (1) three hundred million dollars
10 (\$300,000,000) prior to July 1, 1999;

11 (2) six hundred million dollars
12 (\$600,000,000) from July 1, 1999 through June 30, 2000;

13 (3) nine hundred million dollars
14 (\$900,000,000) from July 1, 2000 through June 30, 2001; and

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

17 E. An additional one billion five hundred million
18 dollars (\$1,500,000,000) of total bond proceeds may be issued
19 pursuant to this section for state highway projects
20 identified in the statewide transportation improvement
21 program to be secured by or payable from federal funds or
22 from taxes or fees not otherwise obligated and required by
23 law to be paid into the state road fund; provided that the
24 issuance of the bonds shall not cause the aggregate
25 outstanding principal amount of bonds issued by the state

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

18 F. Beginning on January 1, 2027, for bonds issued
19 pursuant to Subsection E of this section, the department
20 shall provide the legislature with a list of the proposed
21 bond sales for that calendar year no later than the first day
22 of the regular session for that year. The list shall
23 include:

24 (1) for each project, the cost, readiness
25 and funding secured to date; and

1 (2) up to three contingency projects
2 identified pursuant to Subsection E of this section that
3 could replace a proposed project in the event of an
4 unforeseen circumstance that would delay the bond sale on
5 that project. The department shall report to the
6 legislature, or the legislative finance committee if the
7 legislature is not in session, within two weeks of
8 determining that a contingency project will replace the
9 proposed project.

10 G. The state transportation commission may issue
11 bonds to refund other bonds issued pursuant to this section
12 by exchange or current or advance refunding.

13 H. Each series of bonds shall have a maturity of
14 no more than twenty-five years from the date of issuance.
15 The state transportation commission shall determine all other
16 terms, covenants and conditions of the bonds; provided that
17 the bonds shall not be issued pursuant to this section unless
18 the state board of finance approves the issuance of the bonds
19 and the principal amount of and interest rate or maximum net
20 effective interest rate on the bonds.

21 I. The bonds shall be executed with the manual or
22 facsimile signature of the chair of the state transportation
23 commission, countersigned by the state treasurer and attested
24 to by the secretary of the state transportation commission,
25 with the seal of the state transportation commission

1 imprinted or otherwise affixed to the bonds.

2 J. Proceeds of the bonds may be used to pay
3 expenses incurred in the preparation, issuance and sale of
4 the bonds and, together with the earnings on the proceeds of
5 the bonds, may be used to pay rebate, penalty, interest and
6 other obligations relating to the bonds and the proceeds of
7 the bonds under the Internal Revenue Code of 1986, as
8 amended.

9 K. The bonds may be sold at a public or negotiated
10 sale at, above or below par or through the New Mexico finance
11 authority. A negotiated sale shall be made with one or more
12 investment bankers whose services are obtained through a
13 competitive proposal process. For any sale, the state
14 transportation commission or the New Mexico finance authority
15 shall also procure the services of any financial advisor or
16 bond counsel through a competitive proposal process. If sold
17 at public sale, a notice of the time and place of sale shall
18 be published in a newspaper of general circulation in the
19 state, and in any other newspaper determined in the
20 resolution authorizing the issuance of the bonds, once each
21 week for two consecutive weeks prior to the date of sale.
22 The bonds may be purchased by the state treasurer or state
23 investment officer.

24 L. This section is full authority for the issuance
25 and sale of the bonds, and the bonds shall not be invalid for

1 any irregularity or defect in the proceedings for their
2 issuance and sale and shall be incontestable in the hands of
3 bona fide purchasers or holders of the bond for value.

4 M. The bonds shall be legal investments for a
5 person or board charged with the investment of public funds
6 and may be accepted as security for a deposit of public money
7 and, with the interest thereon, are exempt from taxation by
8 the state and a political subdivision or agency of the state.

9 N. Any law authorizing the imposition or
10 distribution of taxes or fees paid into the state road fund
11 or the highway infrastructure fund or that affects those
12 taxes and fees shall not be amended or repealed or otherwise
13 directly or indirectly modified so as to impair outstanding
14 bonds secured by a pledge of revenues from those taxes and
15 fees paid into the state road fund or the highway
16 infrastructure fund, unless the bonds have been discharged in
17 full or provisions have been made for a full discharge. In
18 addition, while any bonds issued by the state transportation
19 commission pursuant to the provisions of this section remain
20 outstanding, the powers or duties of the commission shall not
21 be diminished or impaired in any manner that will affect
22 adversely the interests and rights of the holder of such
23 bonds.

24 O. In contracting for state highway projects to be
25 paid in whole or in part with proceeds of bonds authorized by

1 this section, the department shall require that any sand,
2 gravel, caliche or similar material needed for the project
3 shall, if practicable, be mined from state lands. Each
4 contract shall provide that the contractor notify the
5 commissioner of public lands of the need for the material and
6 that, through lease or purchase, the material shall be mined
7 from state lands if:

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

10 (2) the commissioner determines that the
11 lease or purchase is in the best interest of the state land
12 trust beneficiaries; and

13 (3) the cost to the contractor for the
14 material, including the costs of transportation, is
15 competitive with other available material from non-state
16 lands.

17 P. Bonds issued pursuant to this section shall be
18 paid solely from federal funds not otherwise obligated and
19 taxes and fees deposited into the state road fund and, as
20 applicable, the highway infrastructure fund, and shall not
21 constitute a general obligation of the state.

22 Q. In the budget form submitted pursuant to
23 Section 6-3-18 NMSA 1978, the department shall include a
24 report on highway projects to be financed pursuant to this
25 section. The report shall include:

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

3 (a) traffic counts, accident rates and
4 the expected improvements to traffic flow and health and
5 safety;

6 (b) the ranking of the pavement and
7 substructure conditions;

8 (c) an assessment of economic
9 development impacts; and

10 (d) other information deemed
11 significant by the department;

12 (2) the expected life of the proposed
13 project;

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

18 (4) the effect of the bond program on the
19 department's construction and maintenance program."

20 SECTION 7. EFFECTIVE DATES.--

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

23 B. The effective date of the provisions of
24 Sections 3 and 4 of this act is January 1, 2027. _____