



Transportation Infrastructure Revenue Sources, Distributions and Comparisons with Other States

Transportation Infrastructure Revenue Subcommittee (TIRS)
September 1, 2022

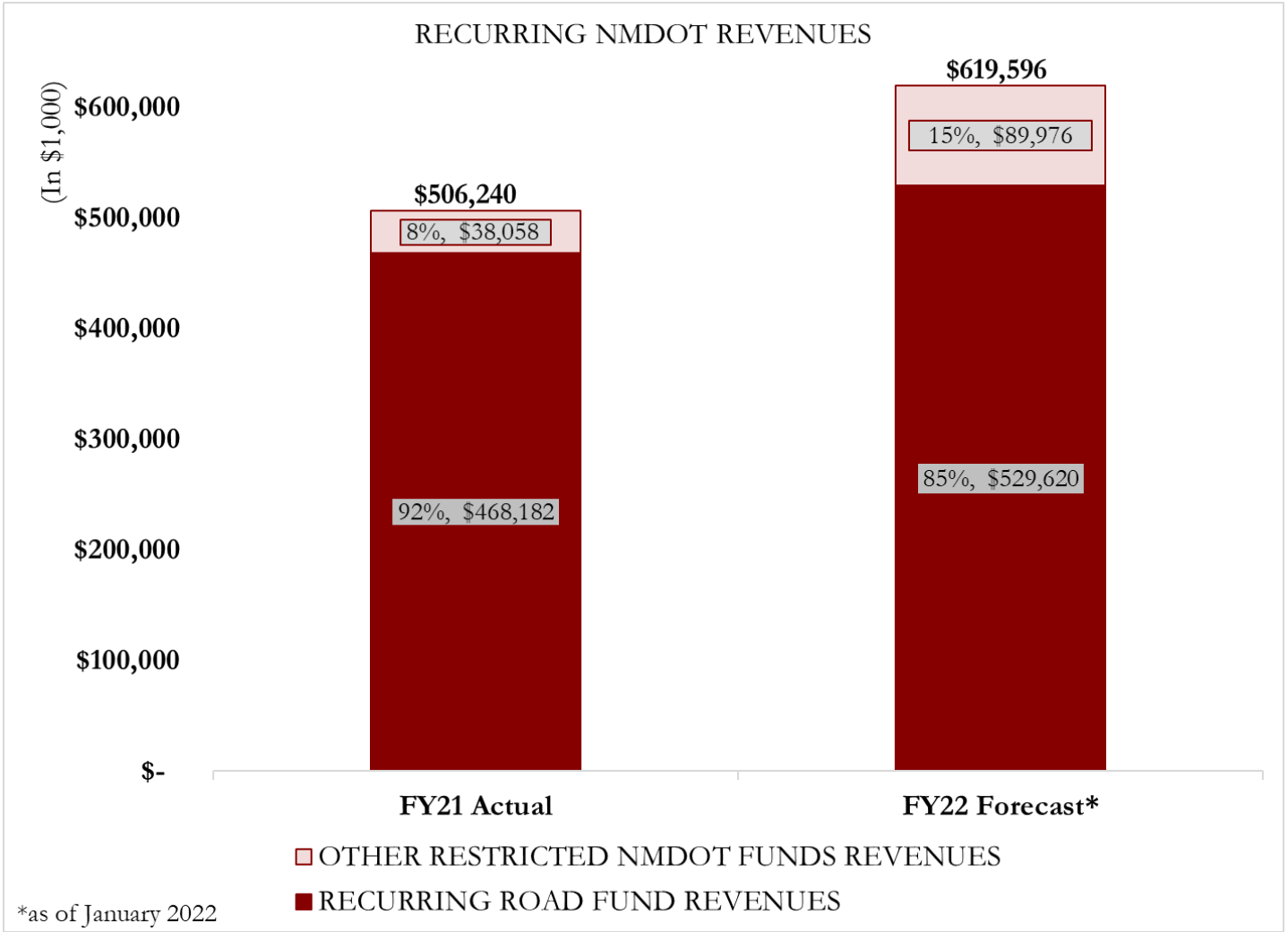
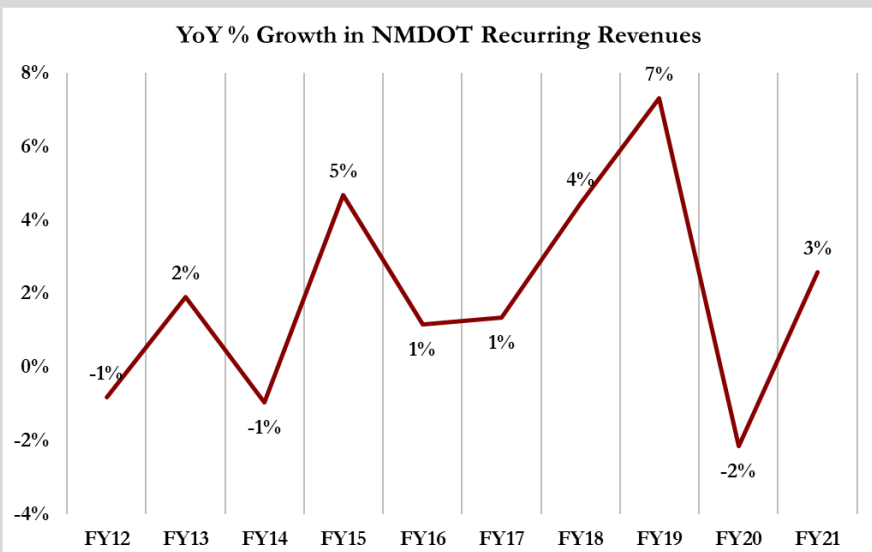
NMDOT Recurring Revenues

Majority of NMDOT recurring revenues allocated to the State Road Fund.

Balance is received by other restricted funds managed by NMDOT.

Since FY12, NMDOT's recurring revenues have grown at an average rate of 2% annually.

Total FY21 recurring revenues = \$506,240K
January 22 FY22 Forecast = \$619,596K



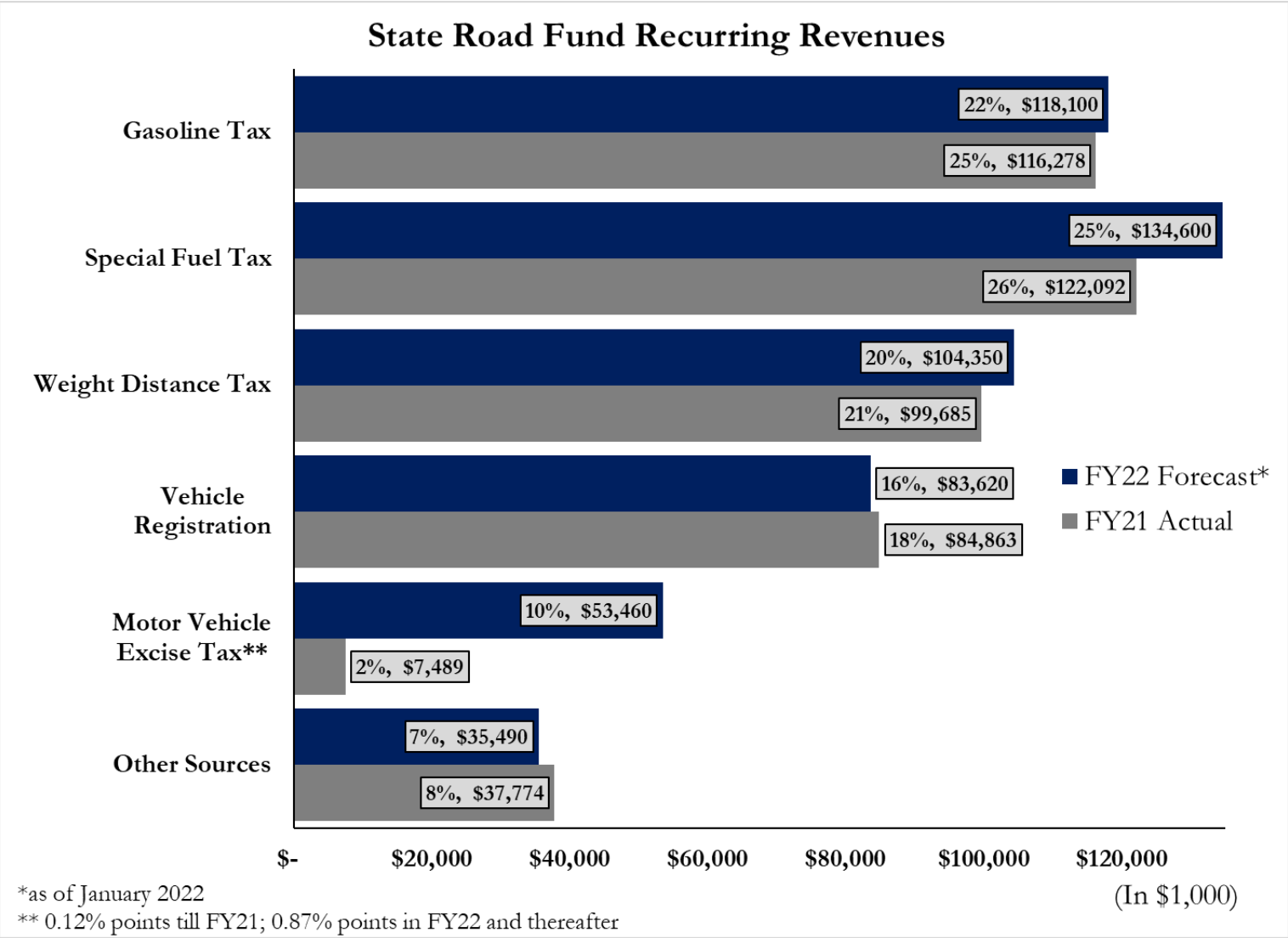
NMSA 1978
Section 67-3-65.
State road fund created.

“The "state road fund" is created within the state treasury, to which shall be credited all receipts authorized by law to be paid into it. No income earned on the fund shall be transferred to another fund.”

NMSA 1978
Section 67-3-65.1.
State road fund distribution.

“The amounts distributed to the state road fund pursuant to Sections 7-1-6.10, 66-6-23 and 66-6-23.1 NMSA 1978 shall be *used for maintenance, construction and improvement of state transportation projects and to meet federal allotments under the federal-aid road laws*, but sufficient money from the state road fund shall be set aside each year by the state treasurer to pay the principal and interest due each year on state transportation revenue bonds issued to anticipate the collection of this revenue.”

STATE ROAD FUND (SRF)



Gasoline Tax

Effective FY 1996 – **17 cents per gallon** of gasoline received in NM.

76.27% (~13 cents per gallon) to State Road Fund

NMSA 1978, Section 7-1-6.10

10.38% to Municipalities and Counties – NMSA 1978, Section 7-1-6.9

- Distributed in the proportion of taxable motor fuel sales in each municipality or county
- 90% to municipalities and H class counties
- 10% to counties (including H class counties)

5.76% to County Government Road Fund – NMSA 1978, Section 7-1-6.19

5.76% to Municipalities – NMSA 1978, Section 7-1-6.27

1.44% to Municipal Arterial Program – NMSA 1978, Section 7-1-6.28

0.26% to State Aviation Fund – NMSA 1978, Section 7-1-6.7.B

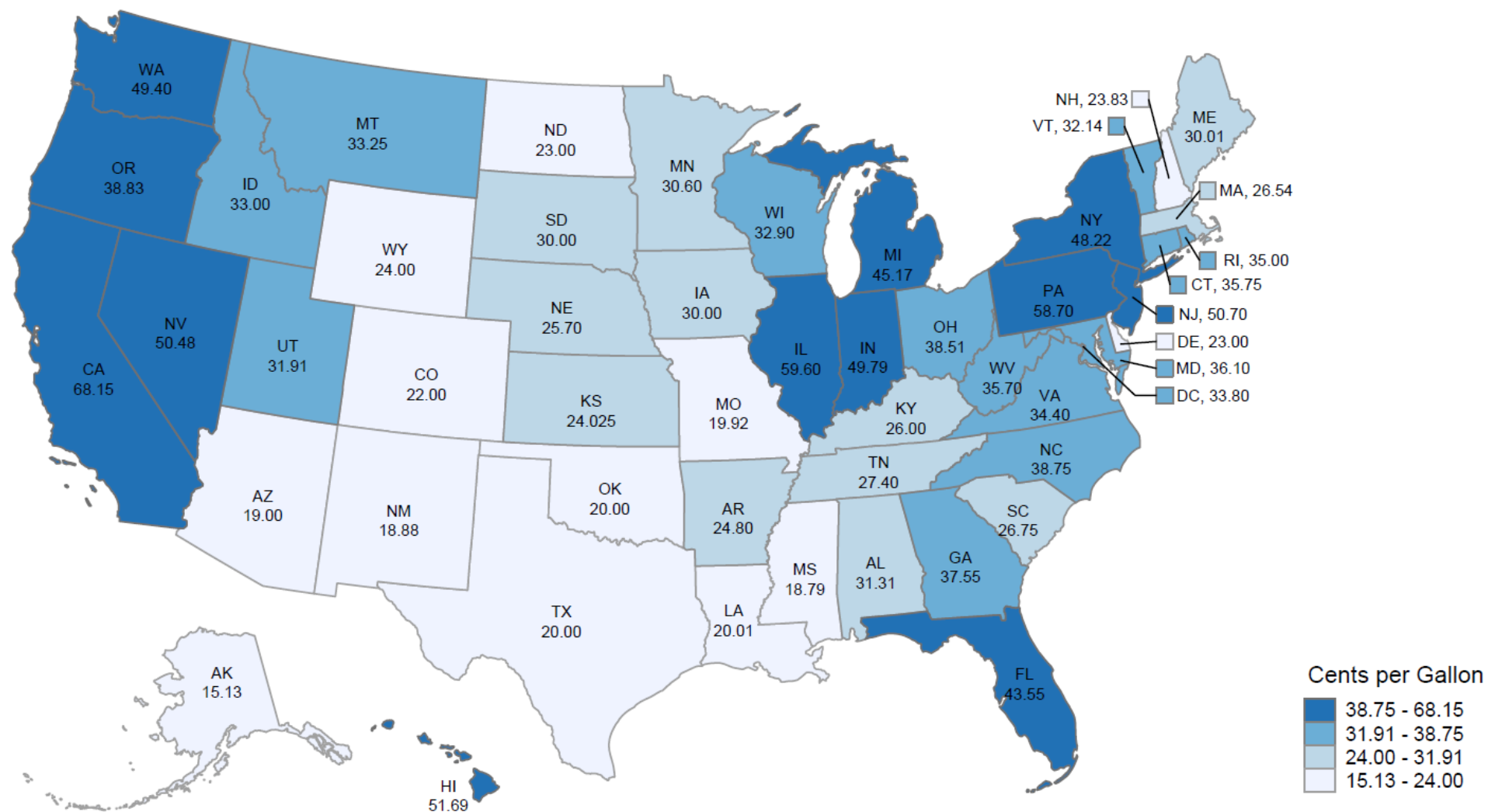
0.13% to Motorboat Fuel Tax Fund – NMSA 1978, Section 7-1-6.8

Gasoline tax accounts for 22% of SRF Revenues in FY22.

Gasoline tax distribution to the SRF accounts for 19% of total NMDOT Revenues.

NMDOT

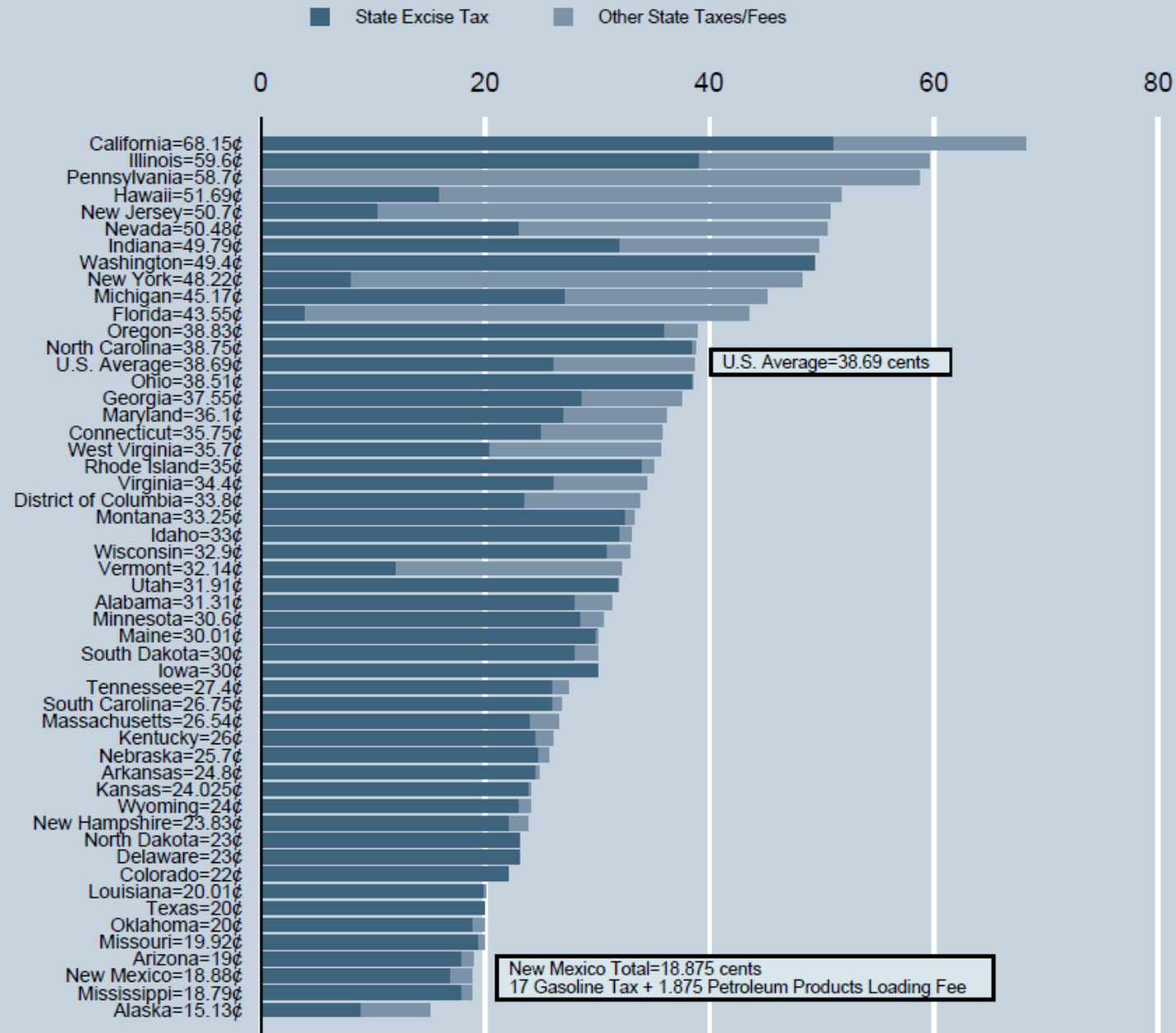
Gasoline Motor Fuel Taxes per Gallon as of January 1, 2022



Note: NMDOT's elaboration on American Petroleum Institute data

The Federal Excise Tax on Gasoline is 18.4 cents per gallon

Gasoline Motor Fuel Taxes per Gallon as of January 1, 2022



Special Fuels Excise Tax

Effective FY 2004 – **21 cents per gallon** of special fuel received in NM.

90.48% (~19 cents per gallon) to State Road Fund – NMSA 1978, Section 7-1-6.10

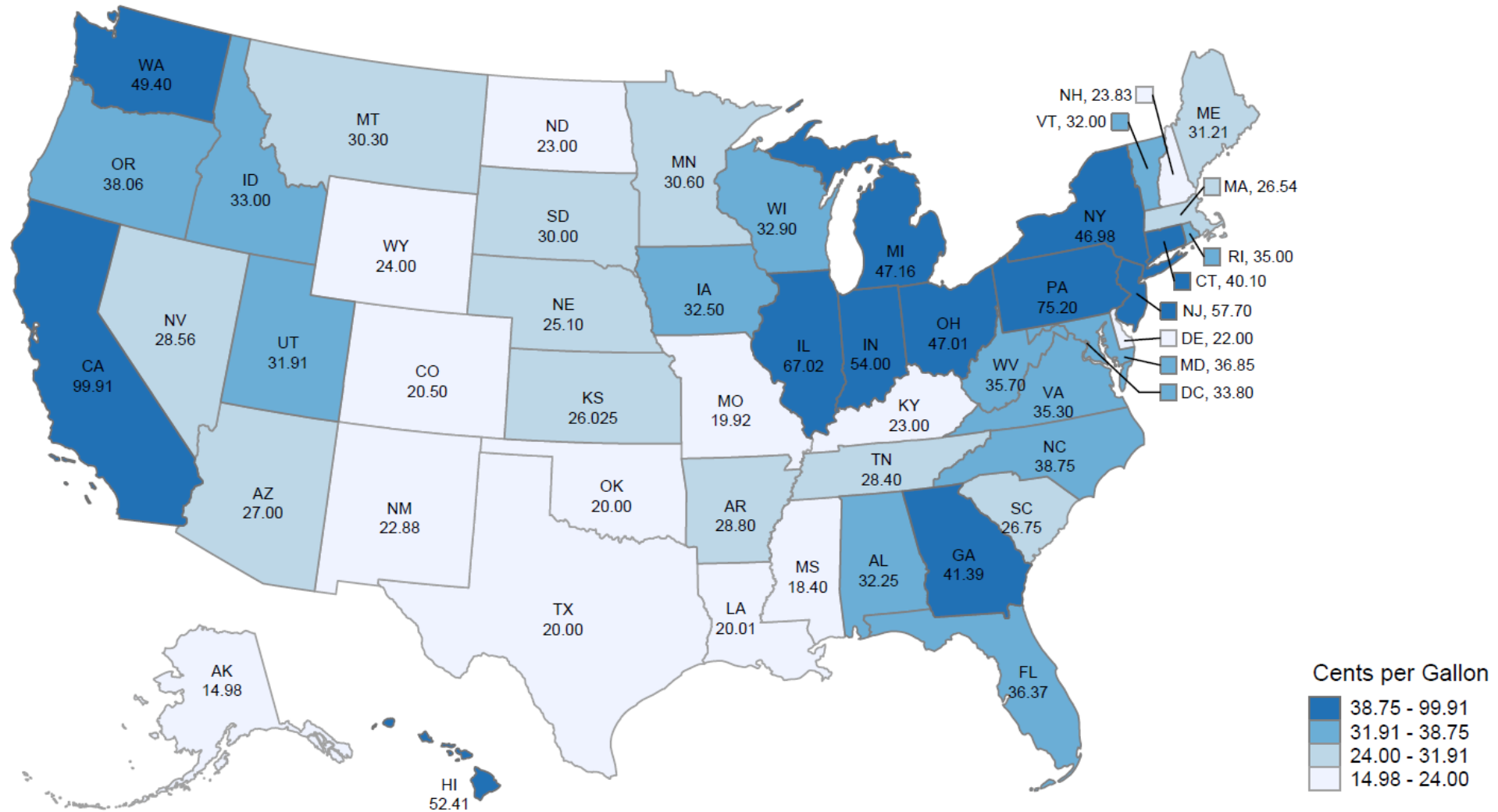
9.52% to Local Government Road Fund – NMSA 1978, Section 7-1-6.39

Special fuels tax accounts for 25% of SRF Revenues in FY22.

Special fuels tax distribution to the SRF accounts for 22% of total NMDOT Revenues.

- Additional **Petroleum Product Loading Fee** applies to fuel subject to gasoline or special fuel excise tax
- NMSA 1978, Section 7-13A-3: \$150 per load of 8,000 gallons or 1.875 cents per gallon.
- **Distribution:**
 - 26.67% to Local Government Road Fund
 - 73.33% to Corrective Action Fund

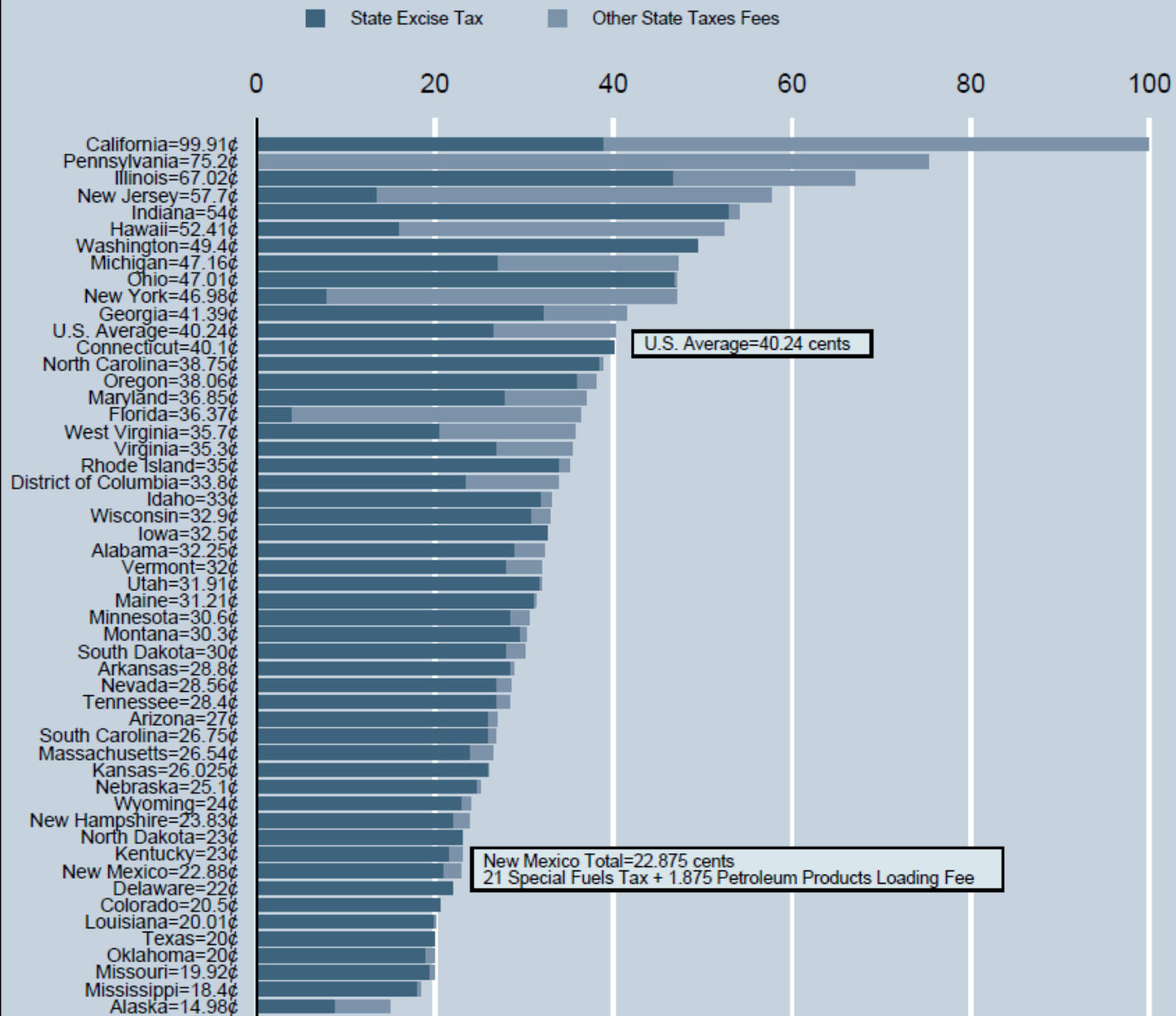
Diesel Motor Fuel Taxes per Gallon as of January 1, 2022



Note: NMDOT's elaboration on American Petroleum Institute data

The Federal Excise Tax on Diesel is 24.4 cents per gallon

Diesel Motor Fuel Taxes per Gallon as of January 1, 2022



Note: NMDOT's elaboration on American Petroleum Institute data

Weight Distance Tax

- Levied on vehicles with a declared gross vehicle weight over 26,000 pounds
- Based on the weight of the vehicle and the number of miles traveled on NM roads
- Tax ranges from (NMSA 1978, Section 7-15A-6)
 - Approx. 1 cent per mile for a 26,001 lbs. truck to
 - Approx. 4 cents per mile for trucks over 78,000 lbs.
- 100% of the revenues generated are deposited to the SRF

Weight distance tax accounts for 20% of SRF Revenues in FY22.

Weight distance tax accounts for 17% of total NMDOT Revenues.

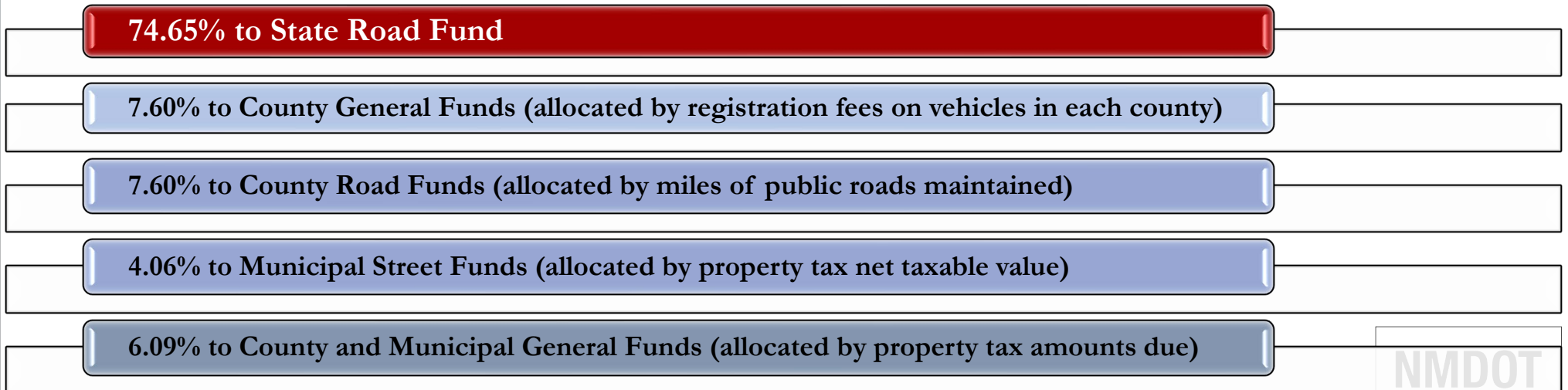
Vehicle Registration

Vehicle Type	NMSA 1978	Registration Fees	Tire Recycling Fees	Tire Recycling Fees Distribution
Motorcycles	Section 66-6-1	\$15/year	\$ 1.00 for each motorcycle	50% to Highway Infrastructure Fund
Passenger Vehicles	Section 66-6-2	\$21 to \$56	\$ 1.50 for each car or light truck	\$1.00 to Highway Infrastructure Fund
Trucks and Tractors	Section 66-6-4	\$32 to \$201	\$ 1.50 for each heavy truck	\$0.50 to Tire Recycling Fund
Buses	Section 66-6-5	\$32 to \$201	\$ 0.50 per wheel of each bus	50% to Tire Recycling Fund

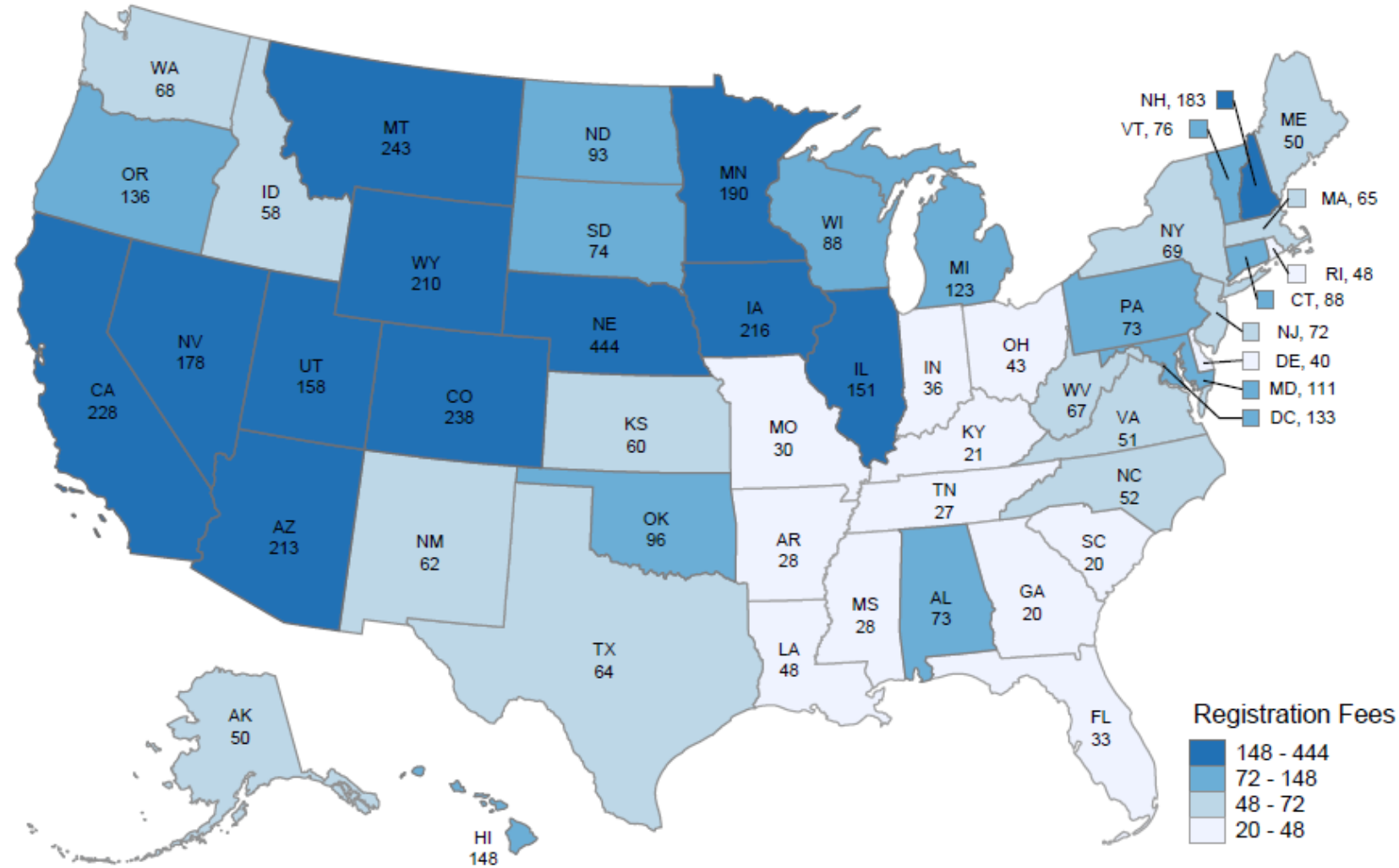
Vehicle Registration Fees Distribution:

- 50 cents on each registration to the Litter Control and Beautification Fund; NMSA 1978, Section 66-6-6.2
- \$2.00 of each motorcycle registration to Motorcycle Training Fund
- \$2.00 of each motorcycle registration to the Taxation & Revenue Department
- 100% of Placard Fees to Taxation and Revenue Department
- 100% of Traffic Safety Training Fee (from Penalty Assessments) and Amateur Radio Fees to SRF

The remaining revenues are distributed as follows (NMSA 1978, Section 66-6-23.1):



Registration Fees on Newer Passenger Vehicles as of June 2022



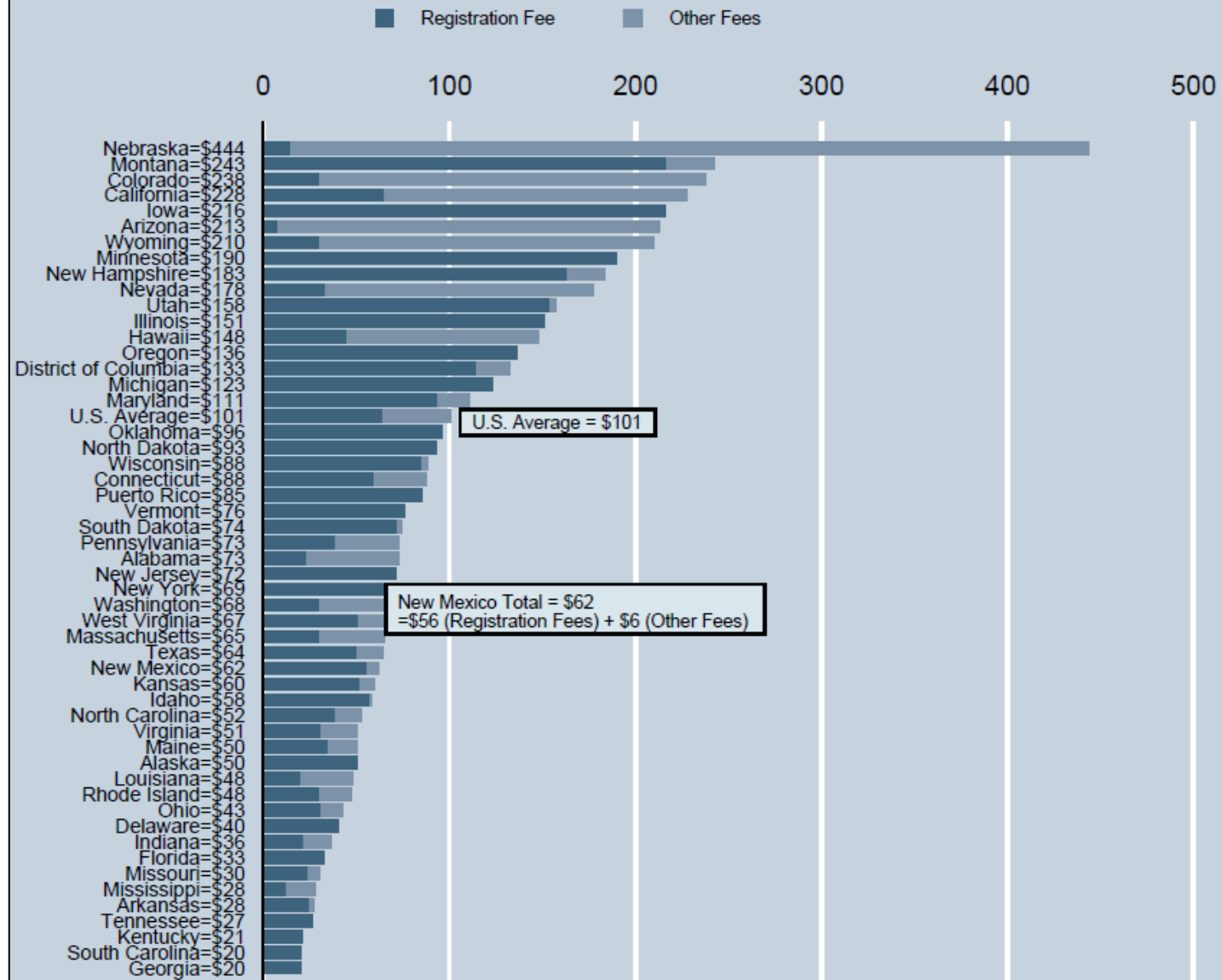
Notes:

U.S. Average Registration Fees are \$101

Where applicable, fees are for a 4 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.

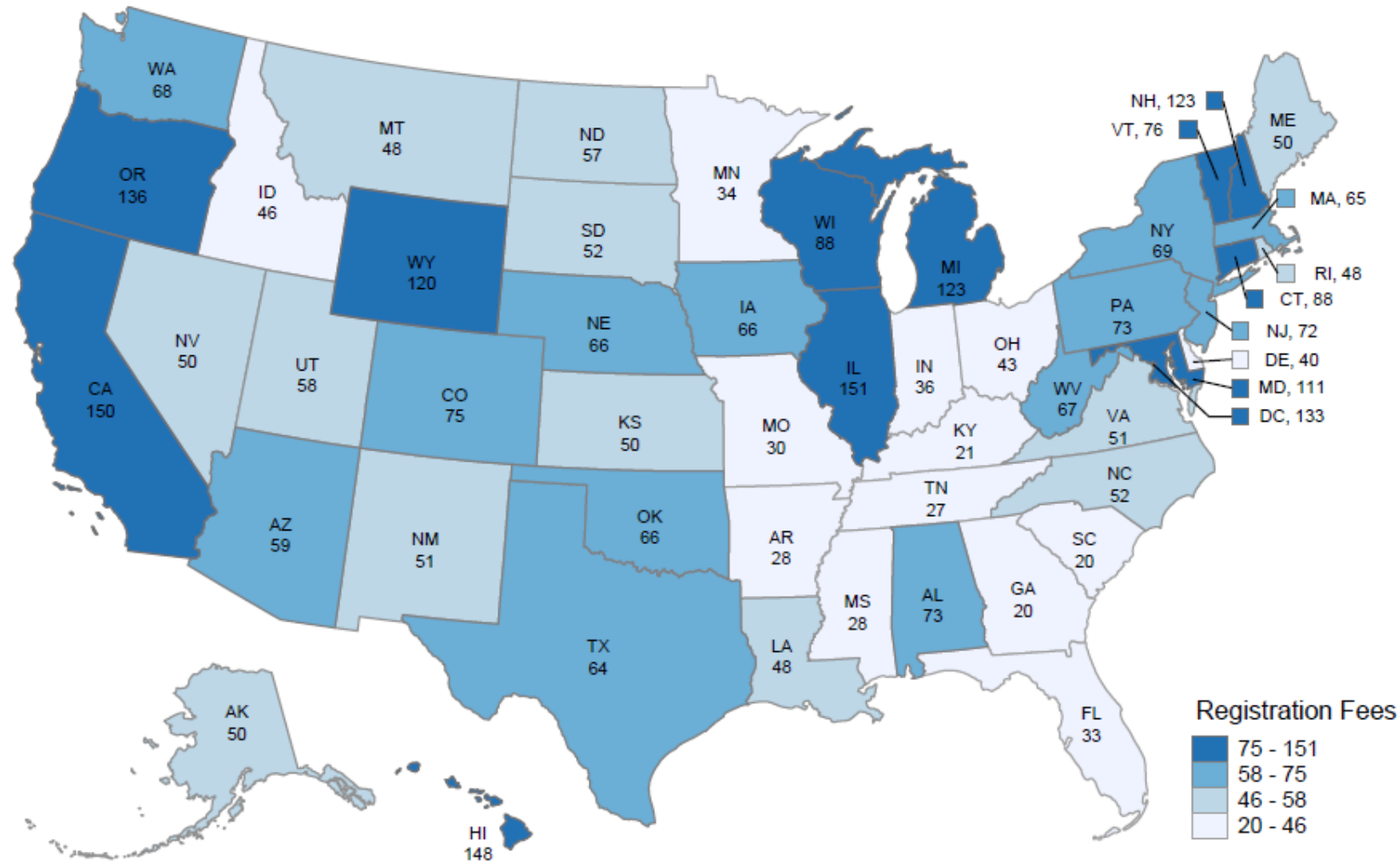
NMDOT's elaboration on data from other states' Departments of Transportation

Registration Fees on Newer Passenger Vehicles as of June 2022



Notes:
U.S. Average Registration Fees are \$101
Where applicable, fees are for a 4 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.
NMDOT's elaboration on data from other states' Departments of Transportation

Registration Fees on Older Passenger Vehicles as of June 2022



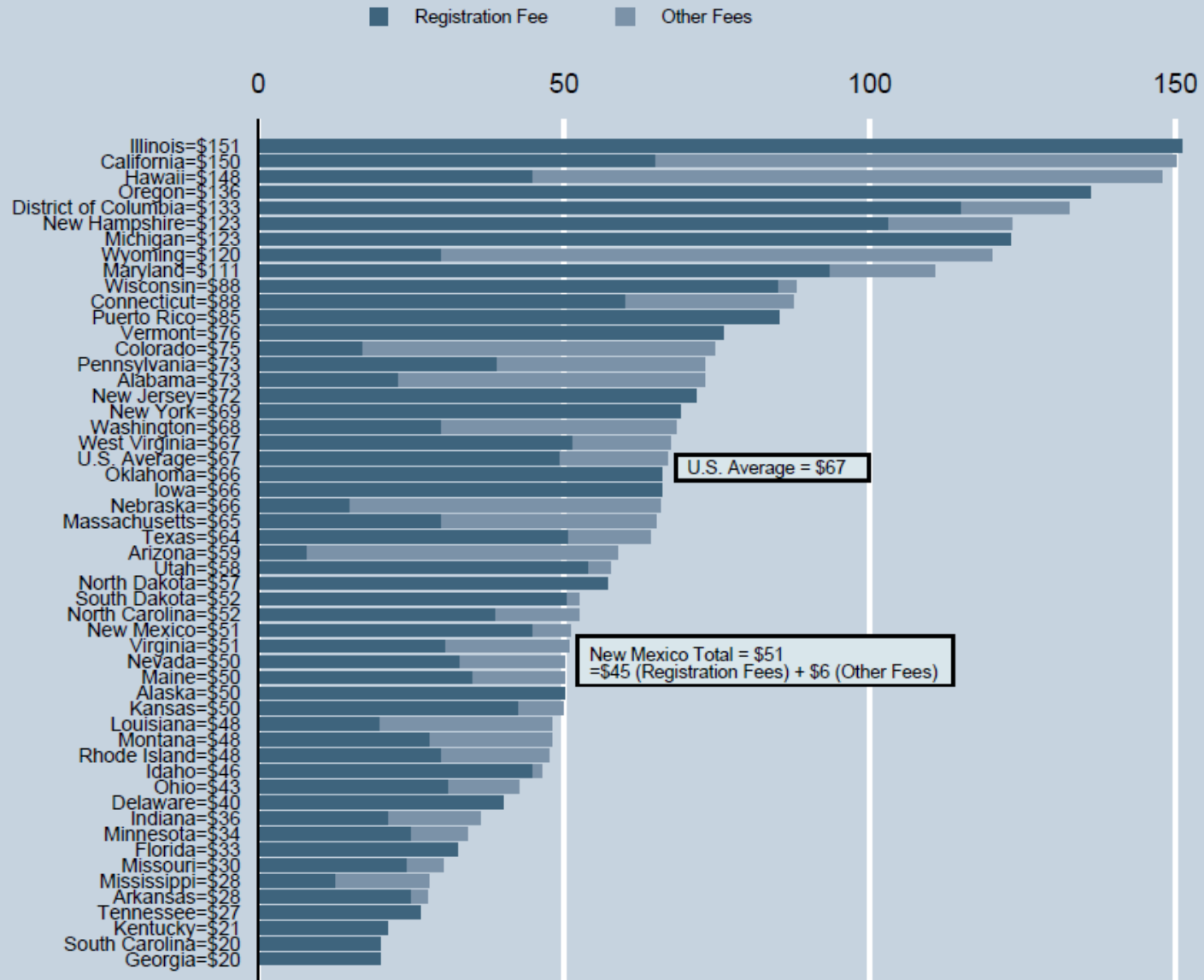
Notes:

U.S. Average Registration Fees are \$67

Where applicable, fees are for a 12 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.

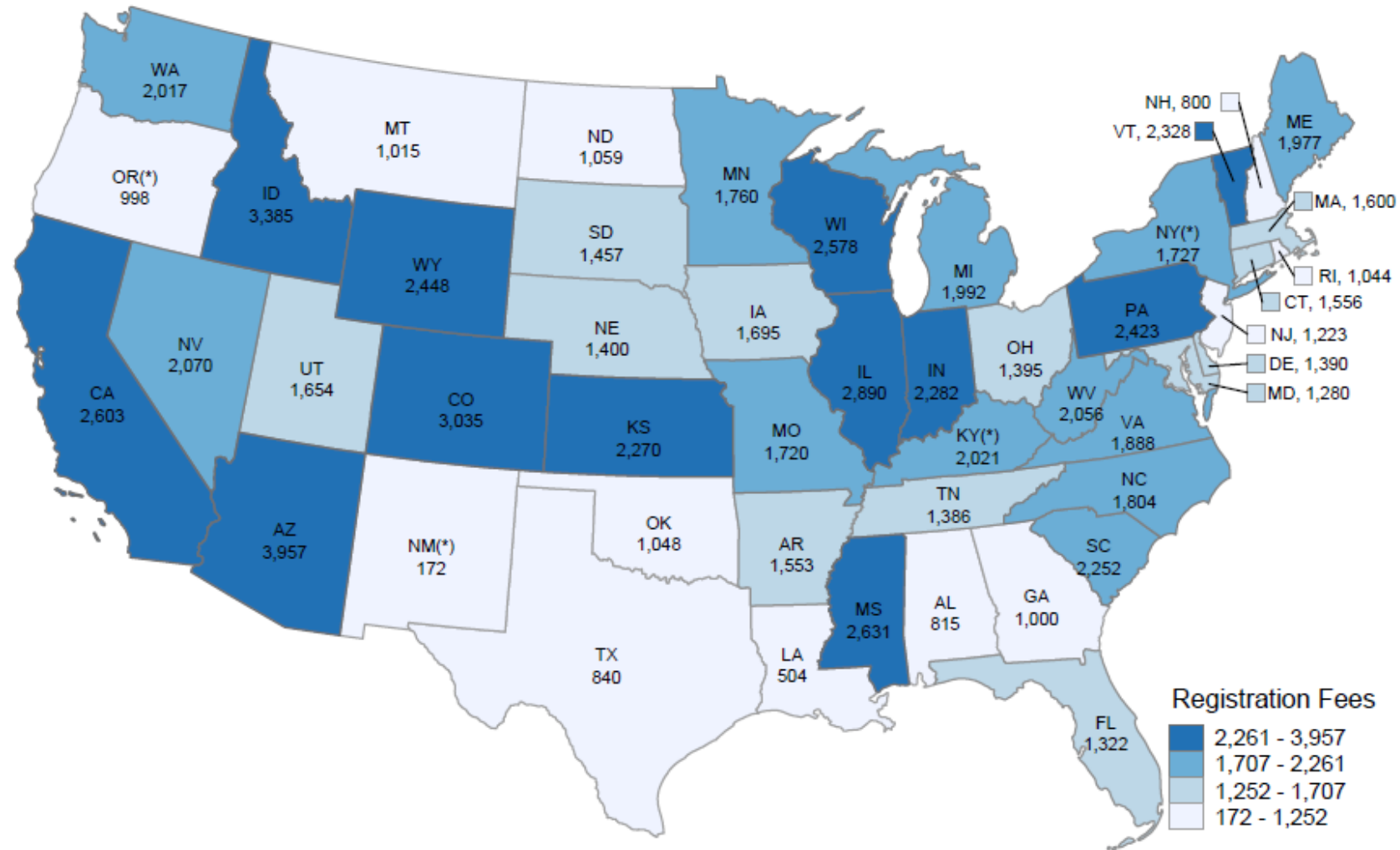
NMDOT's elaboration on data from other states' Departments of Transportation

Registration Fees on Older Passenger Vehicles as of June 2022



Notes:
 U.S. Average Registration Fees are \$67
 Where applicable, fees are for a 12 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.
 NMDOT's elaboration on data from other states' Departments of Transportation

Registration Fees on Heavy Trucks as of June 2022



Notes:

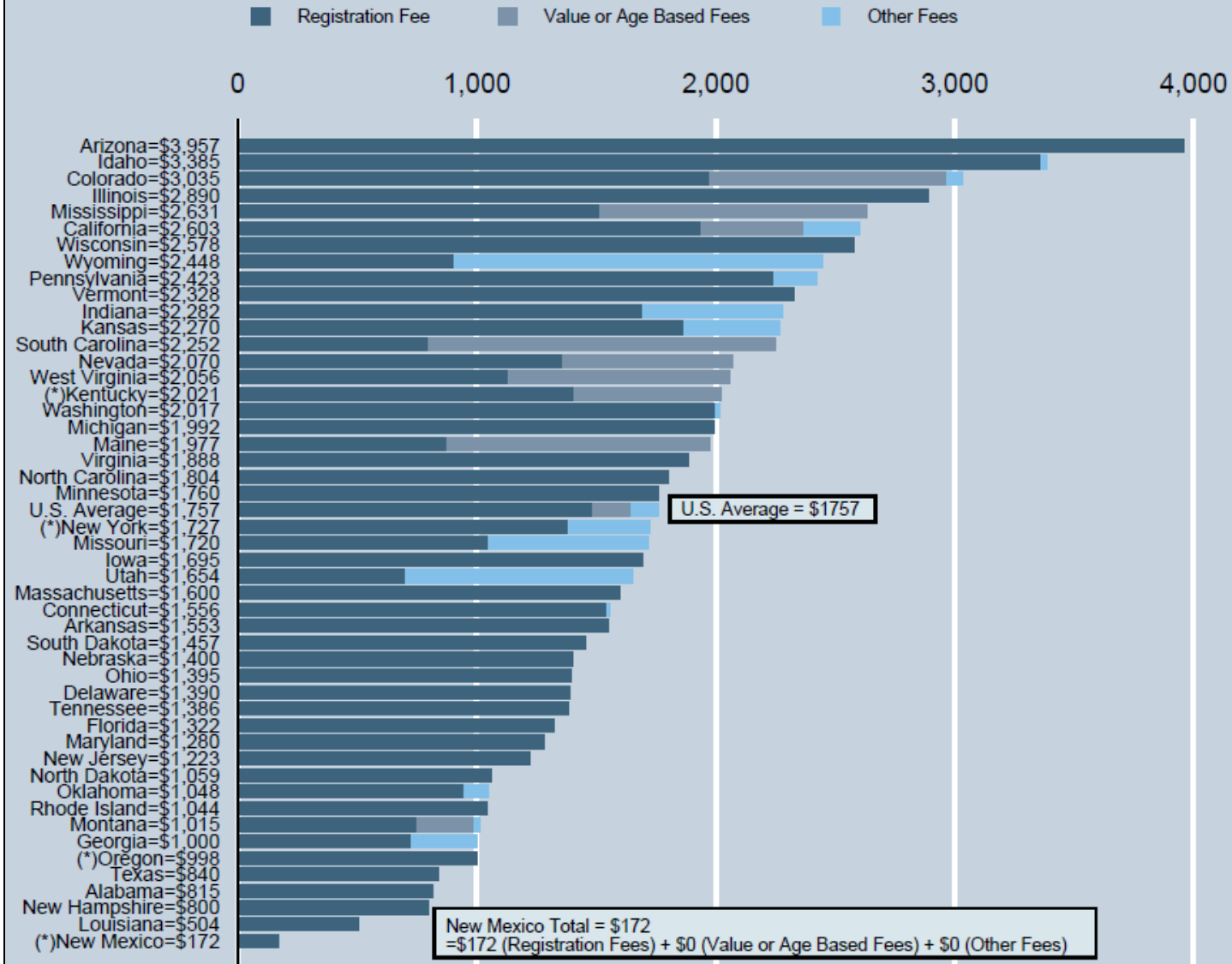
(*) indicates Weight-Distance Tax states.

U.S. Average Registration Fees are \$1,757

Where applicable, fees are for a truck with a gross vehicle weight of at least 80,000 lbs, value of \$110,000, in its 4th year of acquisition.

NMDOT's elaboration on data from International Registration Plan, INC.

Registration Fees on Heavy Trucks as of June 2022



Notes:

(*) indicates Weight-Distance Tax states.

U.S. Average Registration Fees are \$1,757

Where applicable, fees are for a truck with a GVW of at least 80,000 lbs, value of \$110,000, in its 4th year of acquisition.

NMDOT's elaboration on data from International Registration Plan, INC.

Historically, gasoline tax largest source of Road Fund Revenues

FY 2020 onwards, special fuels revenue took over gasoline tax for the #1 spot.

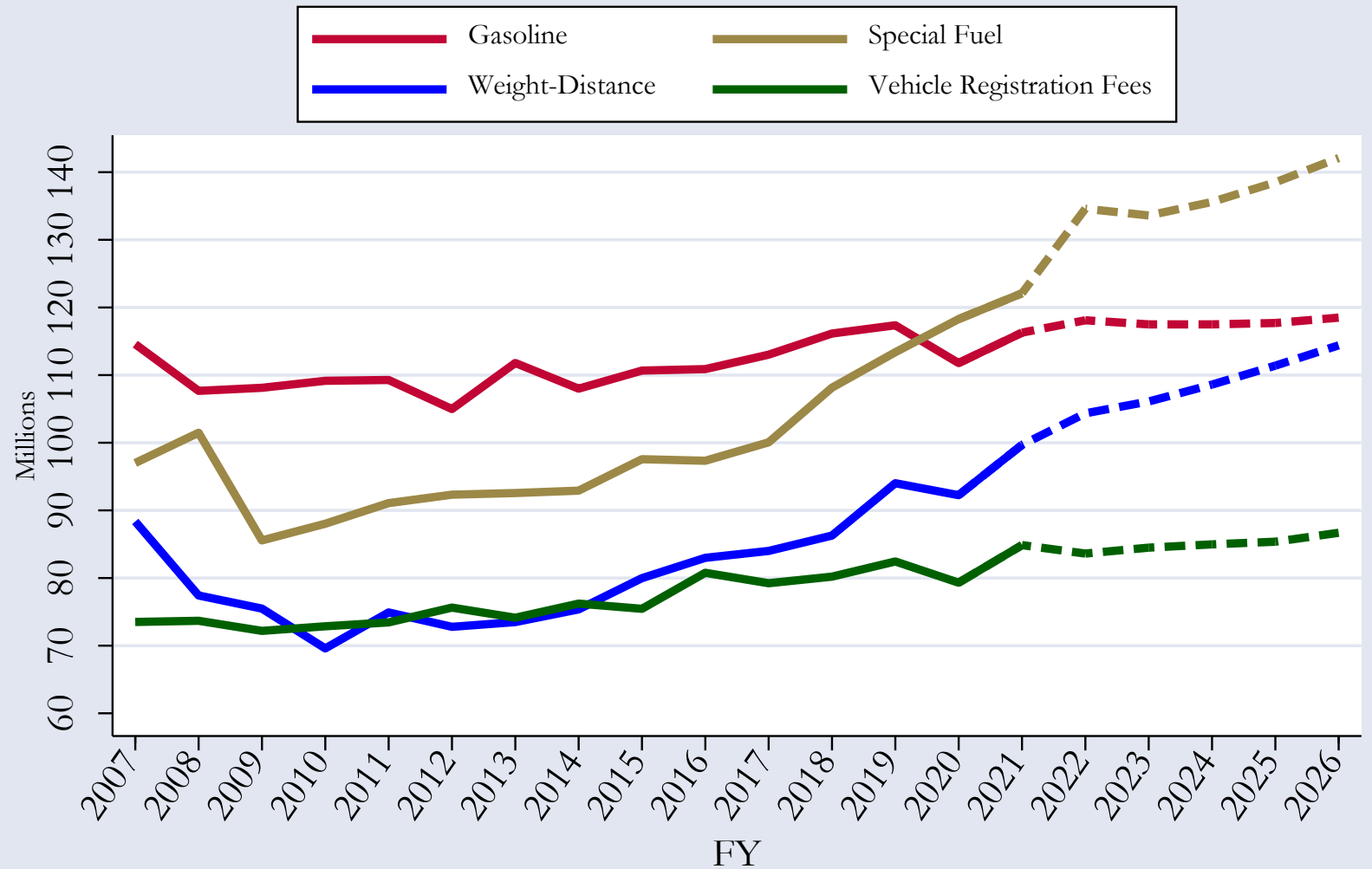
Since FY 2007, average annual rate of revenue growth in Road Fund:

- Gasoline tax – 0.4%
- Special fuels tax – 1.7%
- Weight distance tax – 2%
- Vehicle registration – 1.2%

Gasoline tax revenue – most impacted by COVID-19 pandemic, has recovered.

Commercial vehicle revenues benefited during the pandemic from increased e-commerce sales and demand for goods.

Four Major State Road Fund Revenue Sources



Motor Vehicle Excise Tax

Prior to FY
2019

- **Tax rate: 3%** NMSA 1978, Section 7-14-4
- Distribution: 100% to General Fund NMSA 1978, Section 7-14-10

FY 2019

- Tax rate: 3%
- **2018 SB 226** changes distribution:
 - 95.85% to General Fund
 - **4.15% to State Road Fund**

FY 2020
to
FY 2021

- **2019 HB 6** raised tax rate from **3% to 4%**
- 2019 HB 6 changed distribution:
 - 71.89% to General Fund
 - **3.11% to State Road Fund**
 - 25% to NMDOT for District 2

FY 2022
onwards

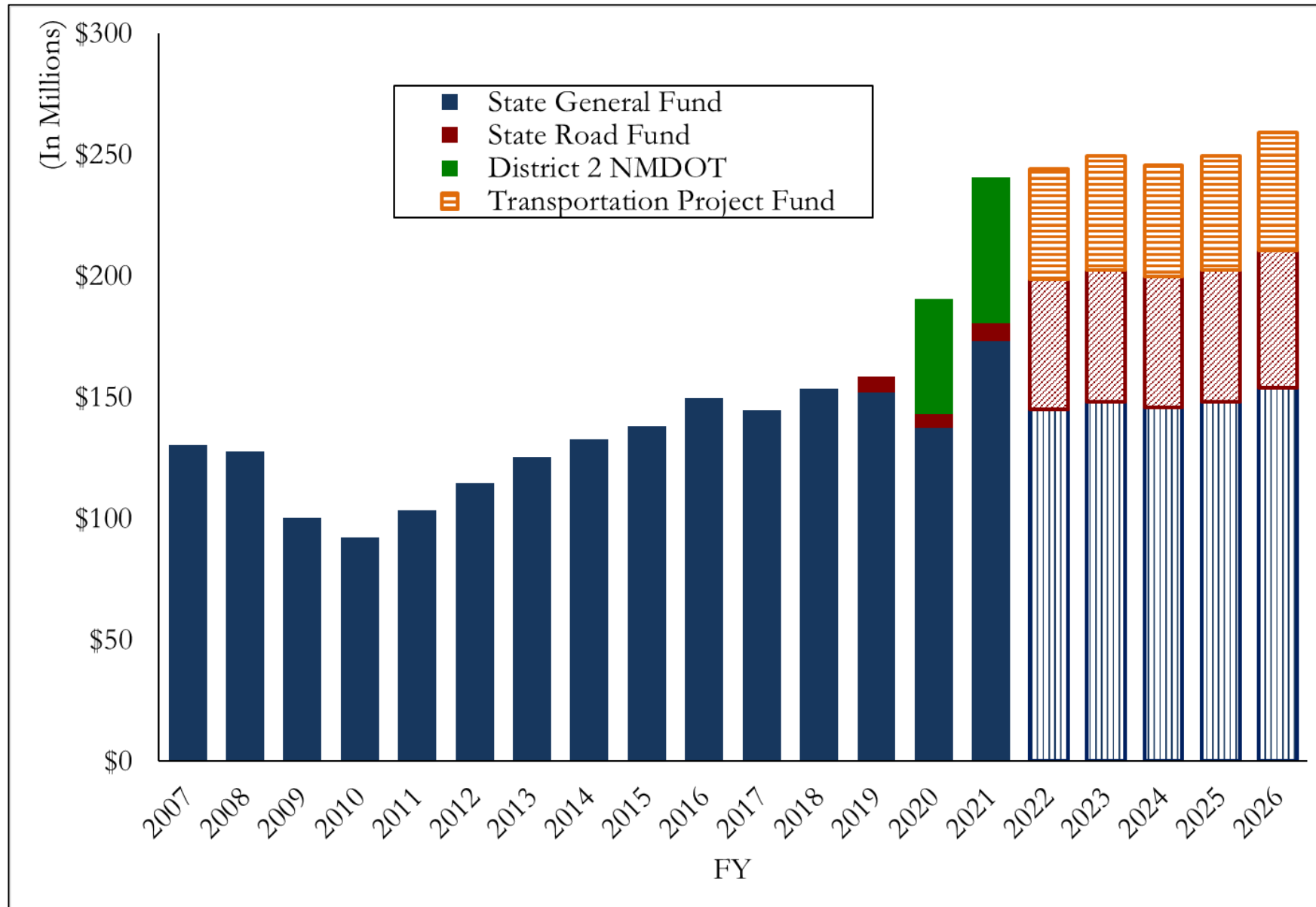
- 2019 HB 6 changed distribution:
 - 59.39% to General Fund
 - **21.86% to State Road Fund**
 - 18.75% to Local Government Road Fund (LGRF)
- **2020 SB 20** changed the 18.75% distribution from LGRF to the **Transportation Project Fund**

Motor vehicle excise tax accounts for 10% of SRF Revenues in FY22.

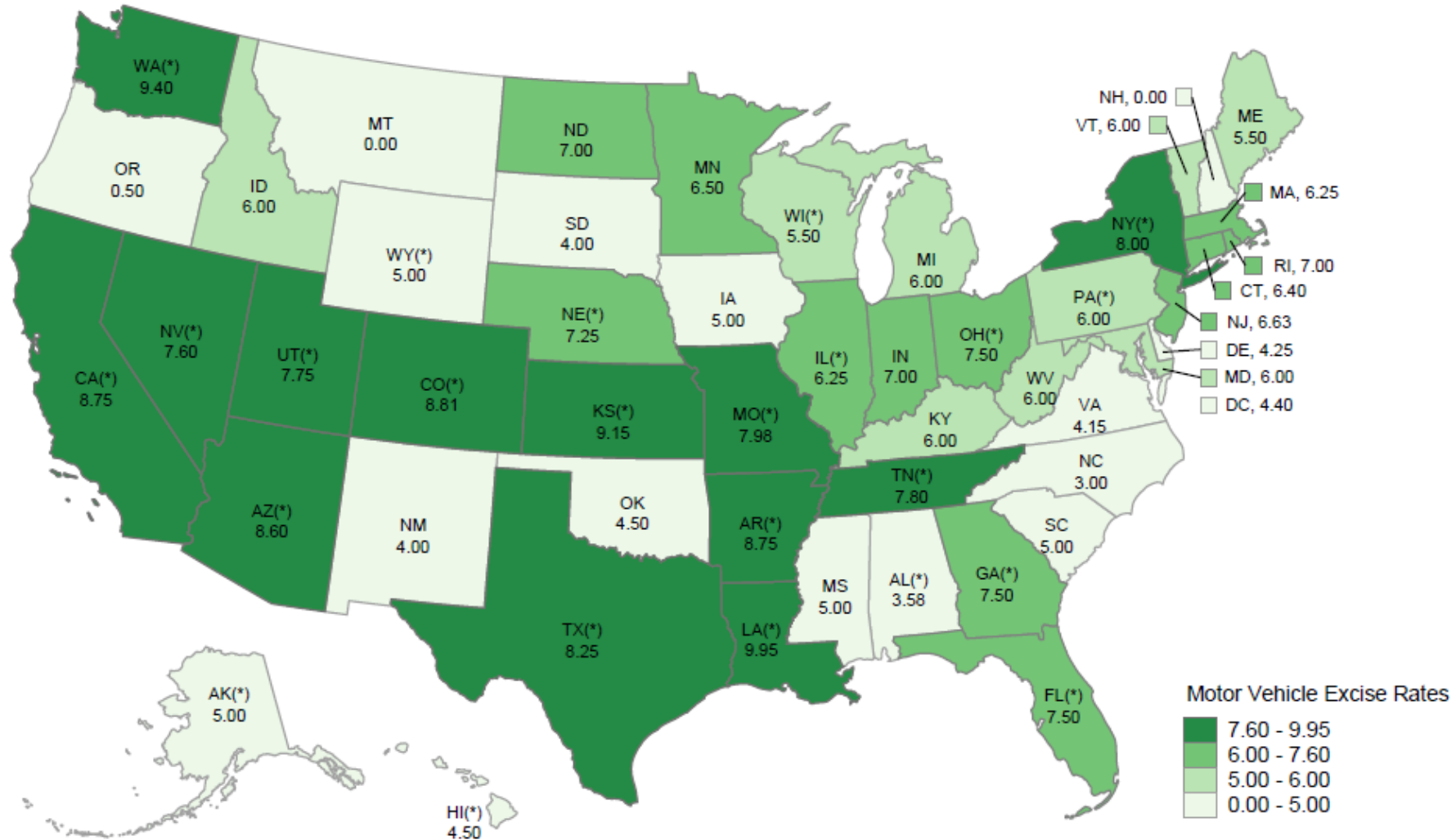
Motor Vehicle excise tax distribution to the SRF accounts for 8.6% of total NMDOT Revenues.

NMDOT

Motor Vehicle Excise Tax Revenues



Vehicle Excise Tax Rates as of July 2022



January 2022 Road Fund Forecast

NMDOT State Revenue Sources - Fiscal Years 2010 thru 2026

Table 1

(Dollars in thousands)

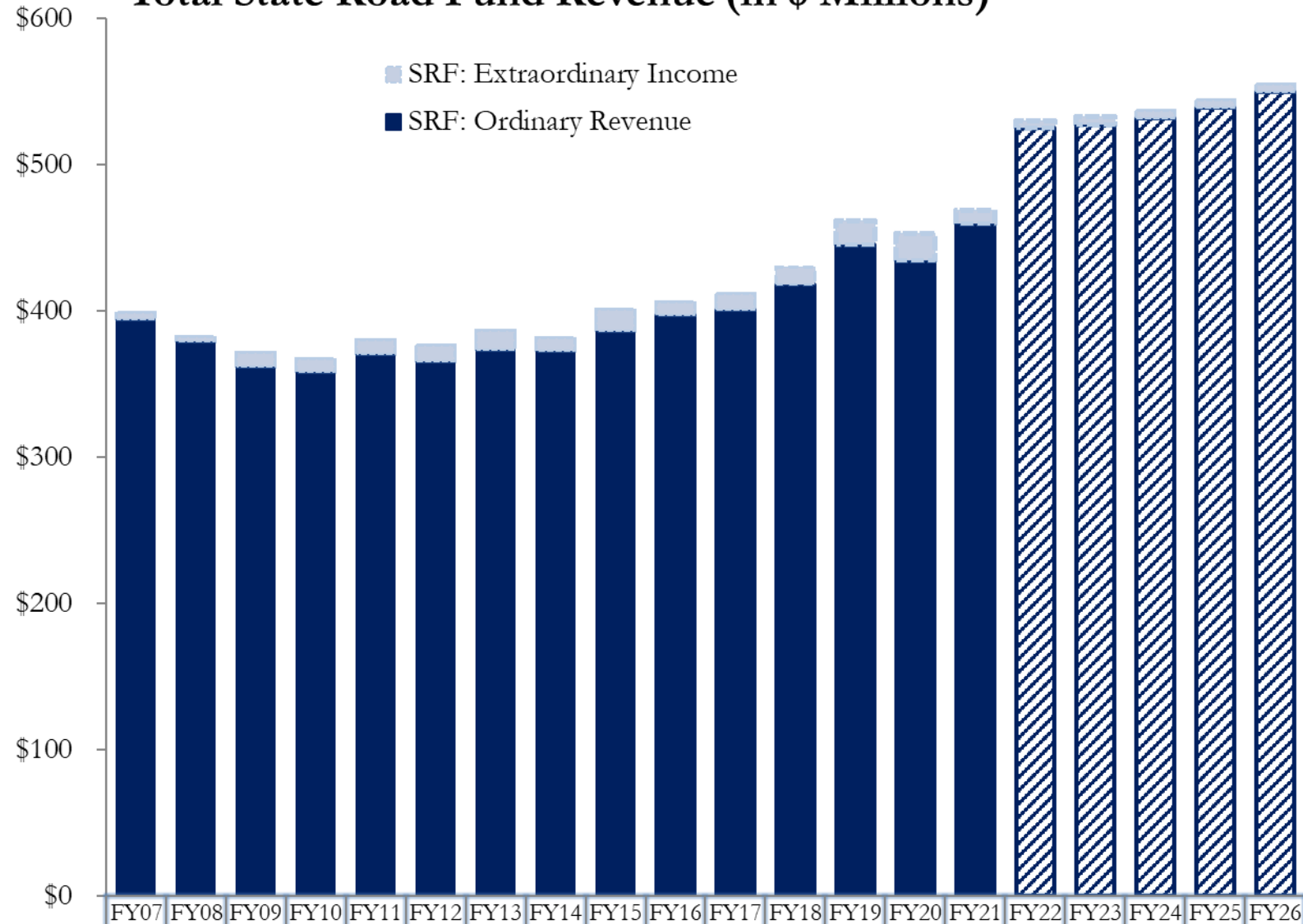
Road Fund:

Road Fund -- Ordinary Revenue:

Table 1 (Dollars in thousands)		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	(P-M) P-M/M	Q	R	S	
		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22		FY23		FY22 to FY23		FY24	FY25	FY26
														Jan-21 Leg. Bud. Estimate	Jan-22 Revenue Update	Jul-21 Bud.Req. Estimate	Jan-22 Leg. Bud. Estimate	Budget Growth Change % Diff		Jan-22 Long Run Estimate	Jan-22 Long Run Estimate	Jan-22 Long Run Estimate
Road Fund:		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual										
Road Fund -- Ordinary Revenue:																						
1	Gasoline Tax	109,163	109,282	104,987	111,795	107,998	110,672	110,892	113,022	116,147	117,365	111,778	116,278	113,500	118,100	117,300	117,500	4,000	3.5%	117,500	117,700	118,500
2	Special Fuel Tax	88,029	91,078	92,326	92,563	92,923	97,566	97,341	100,066	108,141	113,383	118,279	122,092	118,400	134,600	127,600	133,600	15,200	12.8%	135,600	138,500	142,100
3	Weight/Distance	69,598	74,916	72,786	73,489	75,367	79,985	82,990	84,008	86,278	94,016	92,251	99,685	95,600	104,350	104,400	106,100	10,500	11.0%	108,600	111,400	114,400
4	Vehicle Registration	72,863	73,445	75,626	74,135	76,218	75,455	80,774	79,232	80,204	82,453	79,312	84,863	81,150	83,620	85,170	84,490	3,340	4.1%	84,980	85,370	86,690
5	Trip Tax	5,488	5,973	5,689	5,045	4,666	5,232	5,973	5,951	6,124	6,758	6,227	8,044	7,600	9,300	8,210	9,300	1,700	22.4%	9,350	9,400	9,450
6	Driver's License	4,493	4,718	4,424	4,227	4,193	4,158	3,841	3,816	4,191	4,117	4,028	4,629	4,330	4,610	4,450	4,700	370	8.5%	4,700	4,700	4,700
7	Oversize/Overweight	3,778	4,687	4,820	4,805	5,026	5,229	4,997	5,104	6,412	7,225	7,173	7,028	7,490	7,710	7,880	7,640	150	2.0%	7,680	7,590	7,520
8	Public Regulatory Commission Fees (UCR)	1,420	2,740	881	3,191	2,009	3,362	3,403	3,291	3,359	5,891	2,933	3,686	3,300	3,300	3,300	3,300	-	0.0%	3,300	3,300	3,300
9	MVD Miscellaneous	2,735	2,725	2,991	3,100	3,302	3,509	5,426	5,260	6,322	6,407	5,510	4,571	6,000	4,900	6,200	5,000	(1,000)	-16.7%	5,100	5,200	5,300
10	Vehicle Transaction	1,041	1,065	1,114	1,163	1,200	1,173	1,298	1,158	1,153	1,148	1,003	1,123	1,130	1,180	1,140	1,200	70	6.2%	1,200	1,200	1,200
11	Motor Vehicle Excise Tax*	-	-	-	-	-	-	-	-	-	6,562	5,934	7,489	47,960	53,460	49,850	54,580	6,620	13.8%	53,680	54,550	56,610
12	Subtotal Ordinary Income	358,609	370,629	365,645	373,513	372,902	386,340	396,935	400,910	418,330	445,325	434,428	459,488	486,460	525,130	515,500	527,410	40,950	8.4%	531,690	538,910	549,770
Road Fund -- Extraordinary Income:																						
13	All Other (Reimbursements, Asset Sales, etc.)	6,568	6,584	10,375	10,354	6,493	12,365	5,442	5,594	6,094	8,651	8,493	3,844	2,200	2,200	2,200	2,200	-	0.0%	2,200	2,200	2,200
14	Rail Runner Track Maintenance Fees	2,000	2,350	17	2,014	1,782	2,143	3,031	4,989	4,202	2,938	3,229	4,506	2,000	2,000	2,000	2,000	-	0.0%	2,000	2,000	2,000
15	Road Fund Interest	16	95	108	209	80	39	133	310	1,037	4,222	6,316	345	2,580	290	680	535	(2,045)	-79.3%	585	550	645
16	Subtotal Extraordinary Income	8,584	9,029	10,500	12,576	8,355	14,547	8,607	10,893	11,333	15,811	18,037	8,694	6,780	4,490	4,880	4,735	(2,045)	-30.2%	4,785	4,750	4,845
17	TOTAL (Recurring) ROAD FUND	367,193	379,658	376,145	386,089	381,257	400,887	405,542	411,803	429,663	461,136	452,465	468,182	493,240	529,620	520,380	532,145	38,905	7.9%	536,475	543,660	554,615
18	WIPP Settlement (Nonrecurring)							7,200	-	26,800	-	-	-	-	-	-	-	-	-	-	-	
19	Motor Vehicle Excise Tax to D2 (1% point) in FY20-21							-	-	-	-	47,591	60,202	sunset	sunset	sunset	sunset	-	-	sunset	sunset	sunset
20	TOTAL ROAD FUND	367,193	379,658	376,145	386,089	381,257	400,887	412,742	411,803	456,463	461,136	500,056	528,384	493,240	529,620	520,380	532,145	38,905	7.9%	536,475	543,660	554,615

* 0.12% points till FY21; 0.87% points in FY22 and thereafter

Total State Road Fund Revenue (in \$ Millions)



SRF: Extraordinary Income	5	2	9	9	9	11	13	8	15	9	11	11	16	18	9	4	5	5	5	5
SRF: Ordinary Revenue	394	379	362	359	371	366	374	373	386	397	401	418	445	434	459	525	527	532	539	550

Distribution of State Road User Revenues



Gasoline Tax

(17.0 cents / gallon)

- 5.76% to County Government Road Fund
- 0.13% to Motorboat Fuel Tax Fund
- 0.26% to State Aviation Fund
- 10.38% to Municipalities and Counties
- ~ 76.27% to State Road Fund - (~13 cents per gallon)
- 5.76% to Municipalities
- 1.44% to Municipal Arterial Program (MAP - Local Governments Road Fund)

January 2022 Forecast (\$ Millions)			
2020	2021	2022	2023
8.8	9.1	9.3	9.2
0.2	0.2	0.2	0.2
0.4	0.4	0.4	0.4
15.6	16.1	16.7	16.6
111.8	116.3	118.1	117.5
8.8	9.1	9.3	9.2
2.2	2.3	2.3	2.3

% of total (FY 2022)	
Road Fund	NMDOT State Rev
22.3%	19.1%



Special Fuel (Diesel) Tax

(21.0 cents/gallon -- effective 7/1/2004)

Petroleum Products Loading Fee

(1.875 cents/gallon)

- 90.48% to State Road Fund - (19 cents per gallon)
- 9.52% to Local Governments Road Fund
- 26.67% to Local Governments Road Fund
- 73.33% to Corrective Action Fund (NM Environment Department)

118.3	122.1	134.6	133.6
12.3	12.7	14.1	14.0
7.6	7.8	8.1	8.1
20.8	21.4	22.2	22.4

25.4%	21.7%
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Weight Distance Tax (1¢-4¢/mile)

Trip Tax (7¢-16¢/mile)

Oversize / Overweight Fees

- 100% to State Road Fund
- 100% to State Road Fund
- 100% to State Road Fund

92.3	99.7	104.4	106.1
6.2	8.0	9.3	9.3
7.2	7.0	7.7	7.6

19.7%	16.8%
1.8%	1.5%
1.5%	1.2%

Motor Trans. Regulatory Fees

- 100% to State Road Fund

2.9	3.7	3.3	3.3
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0.6%	0.5%
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Vehicle Registration Fees

(\$21-\$172/year)

A similar distribution applies to many Miscellaneous Motor Vehicle Fees (but only Vehicle Registration Fee revenue amounts are shown in revenue table)

- 50 cents on Each Registration to Beautification Fund
 - \$2.00 of each Motorcycle Registration to Motorcycle Training Fund
 - \$2.00 of each Motorcycle Registration to the Taxation & Revenue Department
 - 100% of Placard Fees to Taxation and Revenue Department
 - 100% of Traffic Safety Training Fee (from Penalty Assessments) and Amateur Radio Fees to State Road Fund
 - Tire Recycling Fee (effective 7/1/2003):

\$ 1.00 Each Motorcycle	→ 50% to Highway Infrastructure Fund
\$ 0.50 per wheel of each bus	→ 50% to Tire Recycling Fund
\$ 1.50 each car or light truck	→ \$1.00 to Highway Infrastructure Fund
\$ 1.50 each heavy truck	→ \$0.50 to Tire Recycling Fund
- Effective March 1, 2004 remaining revenues go to:
- ~ 74.65% to State Road Fund
 - 7.60% to County General Funds (allocated by Registration Fees on Vehicles in Each County)
 - 7.60% to County Road Funds (allocated by miles of public Roads maintained)
 - 4.06% to Municipal Street Funds (allocated by property Tax net Taxable value)
 - 6.09% to County and Municipal General Funds (allocated by property Tax amounts due)

79.3	84.9	83.6	84.5
8.1	8.6	8.5	8.6
8.1	8.6	8.5	8.6
4.3	4.6	4.5	4.6
6.5	6.9	6.8	6.9

15.8%	13.5%
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Motor Vehicle Excise Tax

(from 3.0% to 4.0% on July 1, 2019)

- 21.86% to State Road Fund beginning in FY22 (it was 3.11 % in FY20 & FY21)
District 2 received 25% in FY20 & FY21
- 18.75% to Transportation Project Fund beginning in FY22
- 59.39% to State General Fund beginning in FY22 (it was 71.89% in FY20 & FY21)

5.9	7.5	53.5	54.6
47.6	60.2	sunset	sunset
137.2	173.1	145.2	148.3

10.1%	8.6%
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Transaction Fees

(\$3 per Title or Registration)

- \$5 or \$6 to Municipal, County or Fee AGENTS
- Remaining revenues from Transaction Fees go to:
- 50% to State Road Fund
- 50% to County Road Fund (allocated by miles of public roads maintained)

1.0	1.1	1.2	1.2
1.0	1.1	1.2	1.2

0.2%	0.2%
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Driver License Fees

(\$10 per 4 year period + \$3 EDL + \$3 Driver Safety)

- \$6 or \$7 per License to Municipal, County or Fee Agents
- 100% of Remaining Drivers License Fee to S Road Fund
- 100% Limited License Fees to DWI Prevention and Education Fund
- 100% DWI Reinstatement Fees and remainder of ID Cards to Local Gov. Road Fund
- 100% Enhanced Drivers License Fee (\$3) to Taxation & Revenue Department
- 100% Driver Safety Fee (\$3) to public schools for DWI education

4.0	4.6	4.6	4.7
0.4	0.4	0.5	0.5
0.7	0.7	0.8	0.8
1.9	2.2	*	*
1.5	1.7	*	*

0.9%	0.7%
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* no estimates available

Total Local Governments Road Fund	25.5	25.0	27.5	27.6
Total Amount Distributed to Local Governments & other Recipients	245.8	286.9	303.9	307.5

Total of Gasoline, Diesel, W/D & Registrations NMDOT	401.6	422.9	440.7	441.7	83.2%	71.1%
Total State Road Fund Revenues	452.5	468.2	529.6	532.1	100.0%	85.5%
Total NMDOT Recurring (1) State Revenues	493.5	506.2	619.6	622.5	NA	100%

(1) Total NMDOT Recurring Revenue excludes MV Excise Revenue to DOT District 2 in FY20 (47.6) and FY21 (54.4)

Other NMDOT Funds

- **Highway Infrastructure Fund;** NMSA 1978, Section 67-3-59.2
- **State Aviation Fund;** NMSA 1978, Section 64-1-15
- **Local Government Road Fund;** NMSA 1978, Section 67-3-28.2
- **Transportation Project Fund;** NMSA 1978, Section 67-3-78

Highway Infrastructure Fund

The Highway Infrastructure Fund revenues accounted for about 1.1% of total NMDOT revenues in FY 2021, at \$6.1 million.

Main contributor: Leased vehicle GRT

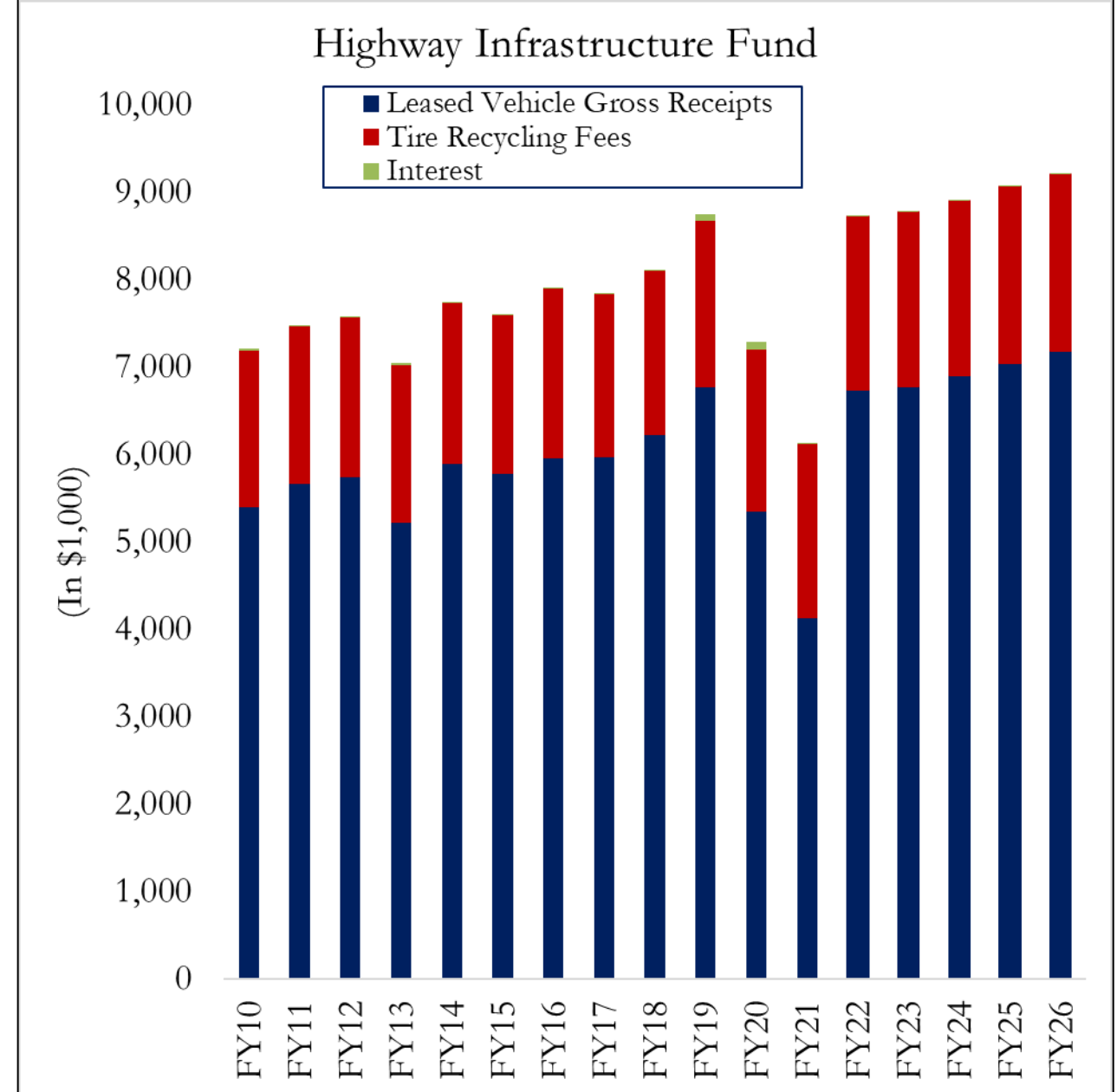
Leased vehicle GRT rate – 5%

- 75% of the revenues to Highway Infrastructure Fund
- 25% of the revenues to Local Government Road Fund

Tire Recycling Fee:

- 50% of the fee on motorcycles, and
- 66.67% of the fee on passenger vehicles

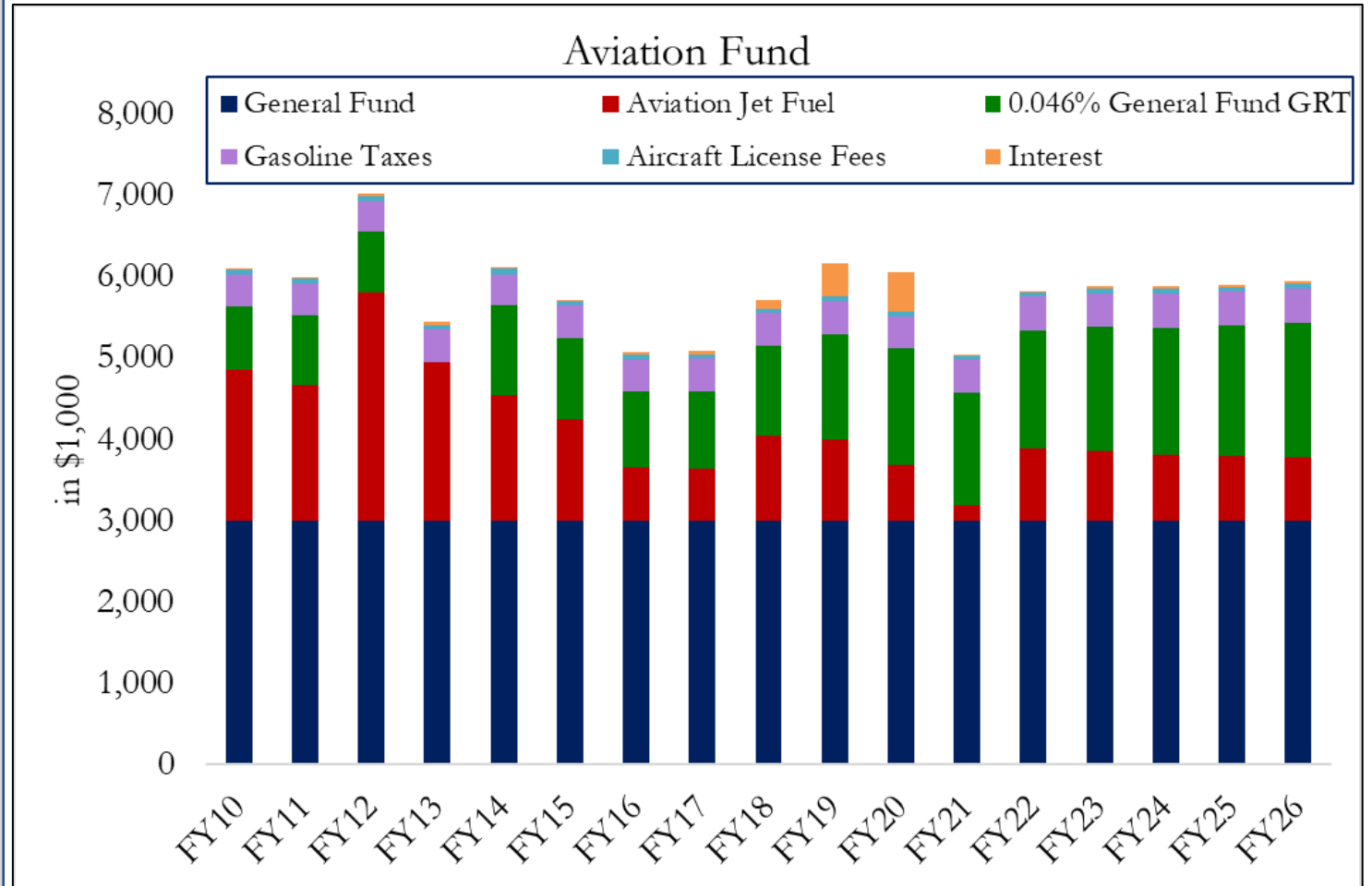
Heavily impacted by the COVID-19 pandemic but is expected to recover by the end of FY 2022



FY22 onwards are from NMDOT's January 2022 forecast

State Aviation Fund

- The Aviation Fund revenues account for about 0.9% of total NMDOT revenues in FY 2021, at \$5 million.
- Main contributors (NMSA 1978, Section 7-1-6.7):
 - \$250,000 per month from GRT distributable to the general fund
 - 4.79% of GRT on sale of Jet Fuel
 - Additional 0.046% of GRT distributable to the General Fund
 - 0.26% of Gasoline Tax
- Federal Aviation Administration's Revenue Use Policy



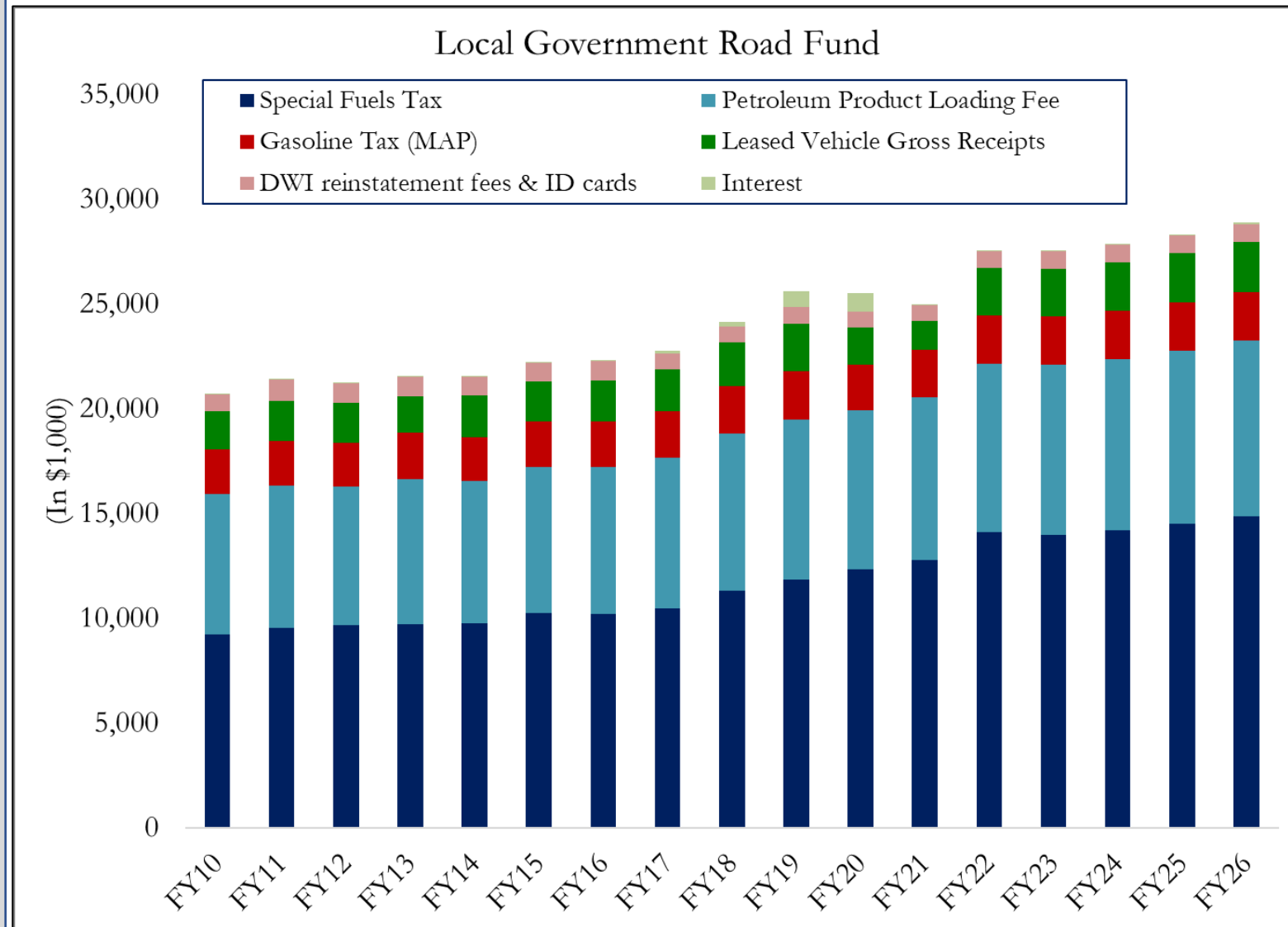
FY22 onwards are from NMDOT's January 2022 forecast

Local Government Road Fund

The Local Government Road Fund revenues account for about 4.4% of total NMDOT revenues in FY 2021, at \$25 million.

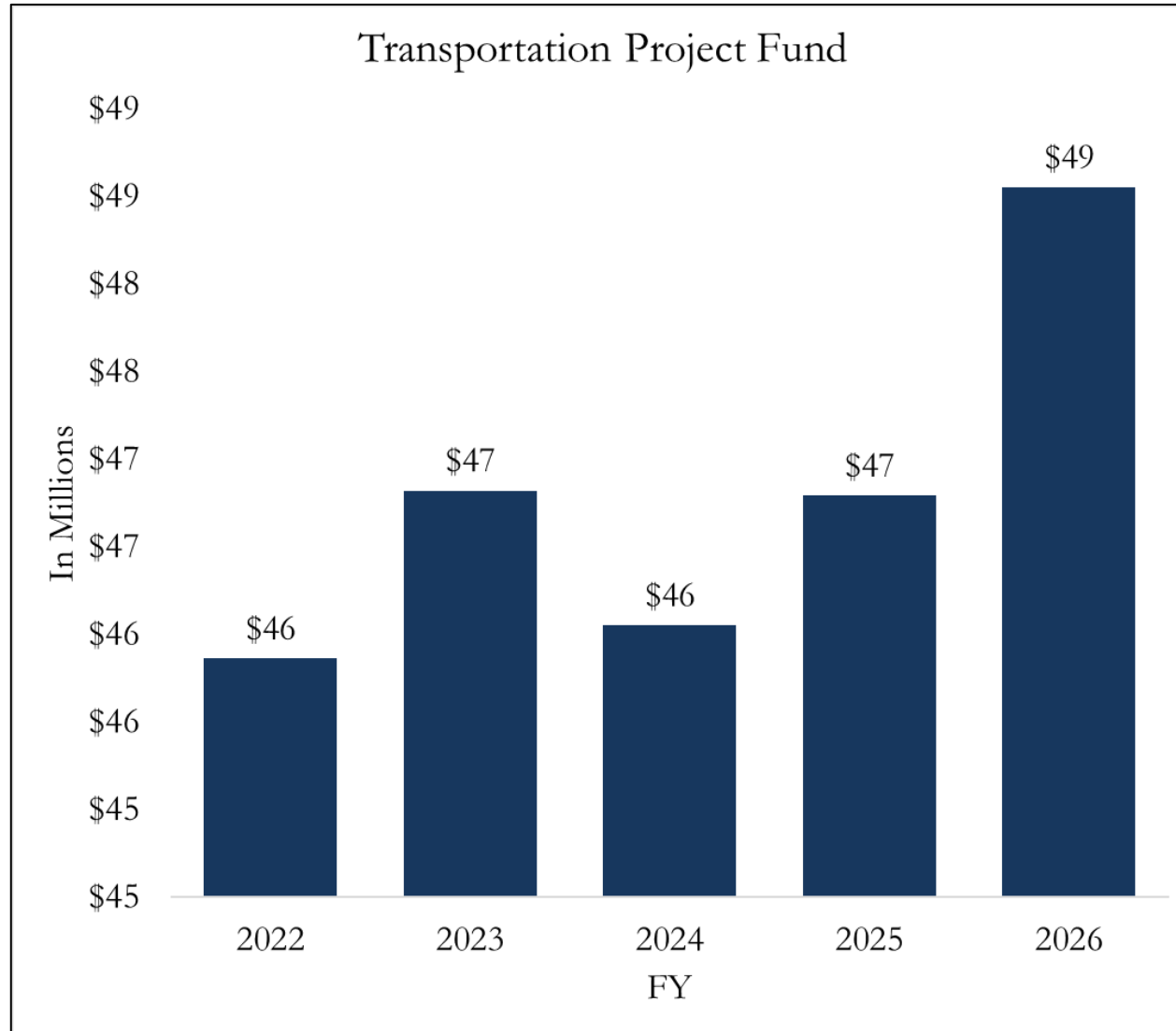
Main contributors:

- Special Fuels Tax – 51%
- Petroleum Product Loading Fee – 31%
- Gasoline Tax (MAP) – 9%
- LVGRT – 5%



FY22 onwards are from NMDOT's January 2022 forecast

Transportation Project Fund



In FY 22 and thereafter, the Transportation Project Fund will receive about \$45-48 million of additional revenue from the new **Motor Vehicle Excise Tax** distribution.

This will account for about 7.4% of total NMDOT revenues in FY 2022.

LGRF vs TPF

Local Government Road Fund (LGRF)	Transportation Project Fund (TPF)
Recurring Budget: \$22-27 million Nonrecurring Funds: None	Recurring Budget: \$40-45 million Nonrecurring Funds: \$20-60 million*
75% NMDOT & 25% Local Match	95% NMDOT & 5% Local Match
Disbursement Program	Disbursement Program
Restricted to funding programs.	Less Restrictive on project selection.
Hardship Waiver	Hardship Waiver
Equipment Waiver	Equipment Waiver Does Not Apply
Call For Projects- Proposals Due March 15th	Call for Projects- Proposals Due May 31st
Projects Must Be Approved by DOT Commission.	Projects Must Be Approved by DOT Commission.

**The department has been appropriated General Fund for the past 3 fiscal years.*

LGRF

Formula Based-

- **Cooperative Program: 42%**
 - Counties, Municipalities, School Districts, Universities and Tribal.
 - 18 Month Agreements.
- **County Arterial: 26%**
 - Counties Only.
 - 18 Month Agreements.
- **School Bus Routes: 16%**
 - Counties Only.
 - 18 Month Agreements.
- **Municipals Arterial: 16%**
 - Municipalities Only.
 - 24 Month Agreements.

FY23 LGRF BREAKDOWN		
		*TOTAL
GROSS REVENUE		27,560
LESS: MATCH WAIVER		(1,000)
LESS: EQUIPMENT WAIVER		(500)
		0
ADJUSTED NET REVENUE		26,060
EXPENDITURE SPREAD		
CO-OP	42%	9,977
SCHOOL BUS	16%	3,801
CAP	26%	6,176
MAP	16%	6,106
SUB-TOTAL		26,060
EQUIPMENT WAIVER		500
MATCH WAIVER		1,000
FROZEN		0
TOTAL LGRF EXPENDITURE BUDGET		27,560

TPF

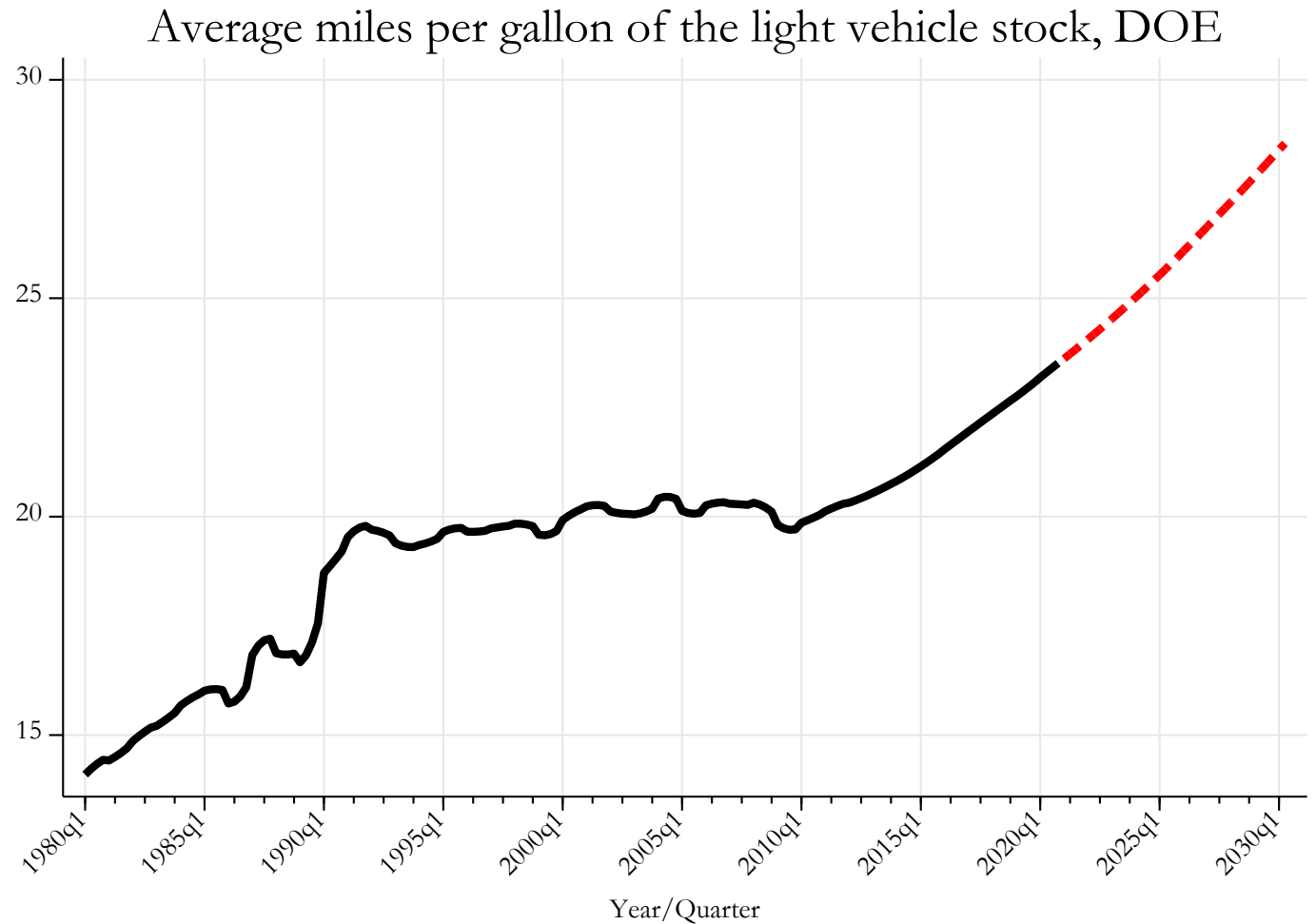
No Formula

- Eligible Projects
 - Planning, design, environmental, acquisition, right of way & construction.
 - Infrastructure includes highways, streets, roadways, bridges, crossing structures, parking facilities, including all areas for vehicular, transit bicycle or pedestrian user for travel, ingress, egress and parking.
- Process
 - Applicants must submit packet to MPO/RTPO for review and ranking.
 - MPO/RTPO submit ranking to District Engineer for review and consideration.
 - District Engineer submits rankings to Cabinet Secretary.
 - Cabinet Secretary submits final recommendation to NMDOT Commission for final approval.

New Trends and Challenges in Road Funding

Issues on the horizon

- Motor fuel taxes are New Mexico State Road Fund's largest revenue source
- Weakening connection between road use and fuel use
 - Vehicle fuel efficiency is improving
 - Electric vehicle adoption is growing.



Market Share of Electric Vehicles

- At the end of 2021,
 - Battery Electric Vehicles (BEV) increased their US market share to 3.38% from 1.54% in 2019.
 - Plug-in Hybrid Electric Vehicles' (PHEV) share increased from 0.57% to 1.24%
- States with the largest market share for BEVs are:
 - California (10.12%), Washington (6.96%), Hawaii (6.40%), Oregon (5.49%), and Colorado (5.05%)
 - Market share of BEVs in NM stands at 1.72%
- States with the largest market share for PHEVs are:
 - California (3.23%), Oregon (2.90%), Vermont (2.71%), Maine (2.33%) and Massachusetts (2.24%)
 - Market share of PHEVs in NM stands at 0.73%

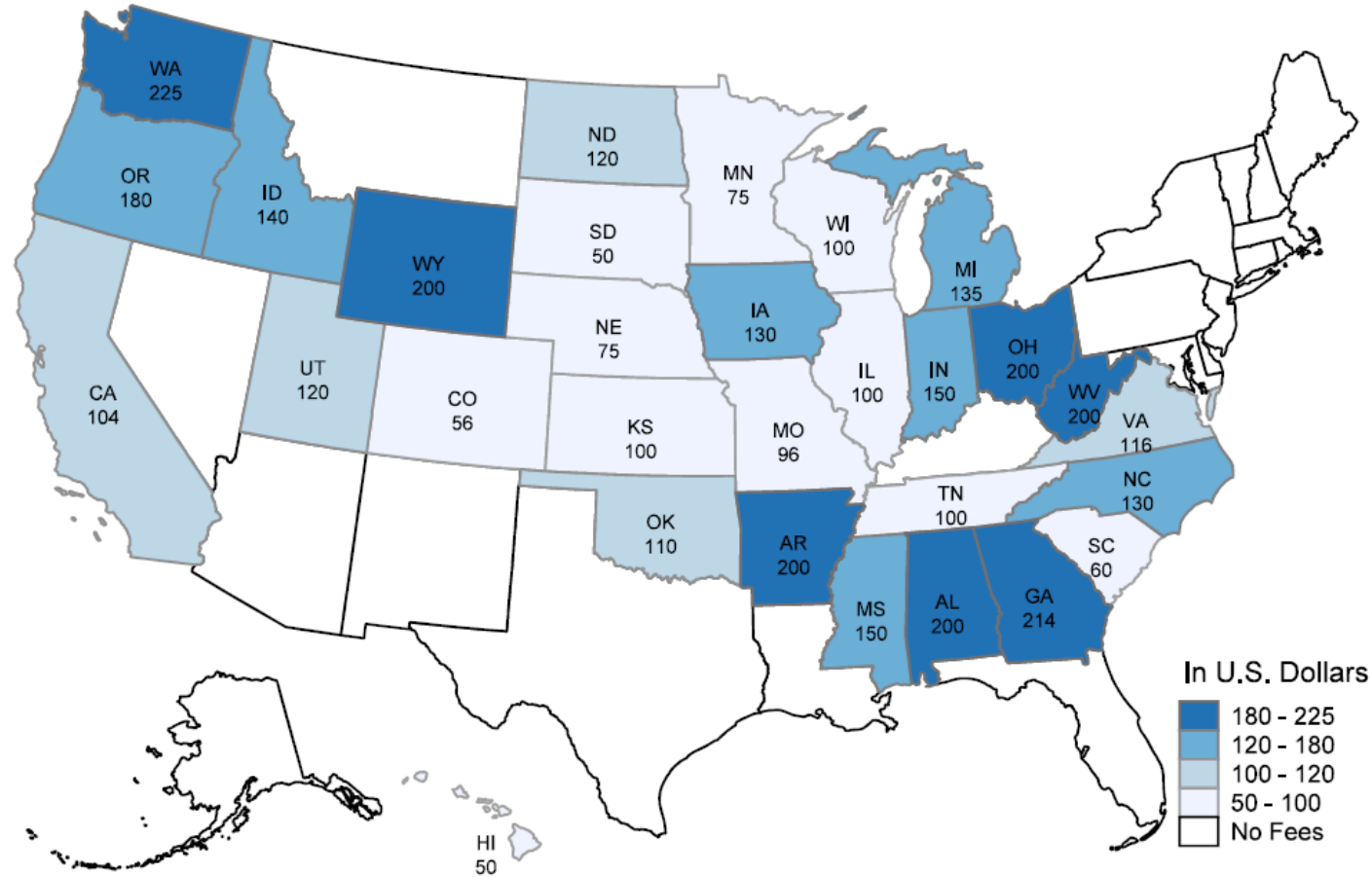
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 - Market share of PHEVs in NM stands at 0.73%

Electric Vehicle Fees

Additional Registration Fees Imposed on Battery Electric Vehicles*

Effective July 1, 2022



*Battery electric vehicles (BEVs) run exclusively on electric fuel.

Average additional fees on BEVs imposed by 30 states is \$130.

Exception: Some states offer discounts for electric vehicles, such as CT and AZ (until 2023).

Utah and Oregon offer a voluntary road usage charge (RUC) program instead of the BEV registration fee.

Under Oregon's OReGO, BEV owners pay a registration fee of \$86 total as well as a RUC.

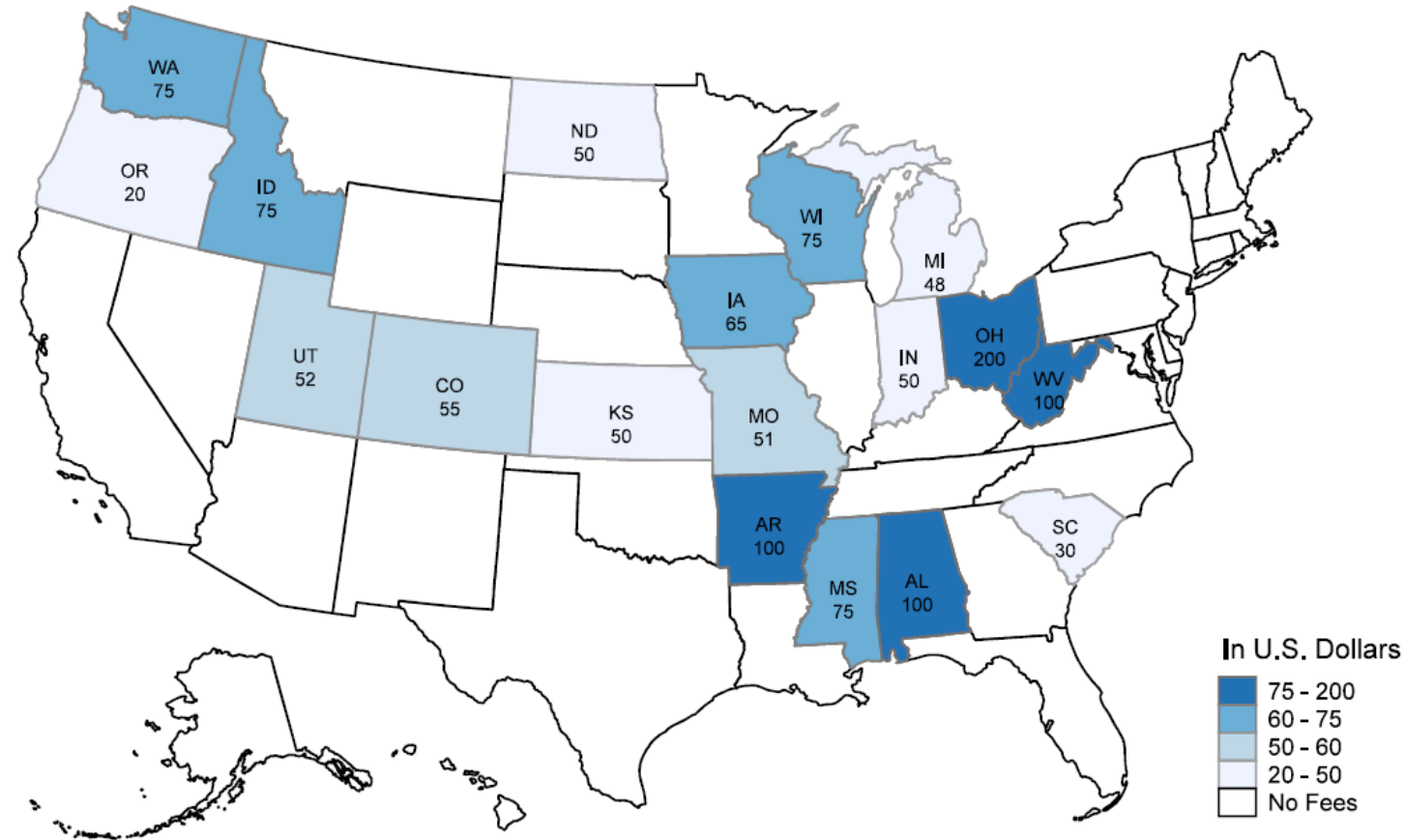
Under Utah's RUC there is no additional registration fee.

Source: NMDOT's elaboration using information from afdc.energy.gov and other online sources.

Electric Vehicle Fees

Additional Registration Fees Imposed on Plug-in Hybrid Electric Vehicles*

Effective July 1, 2022



*Plug-in Hybrid Electric Vehicles (PHEVs) run on either or both gasoline and electric fuel.
Average additional fees on PHEVs imposed by 18 states is \$71.
Exception: Some states offer discounts for electric vehicles, such as CT and AZ (until 2023).
Utah and Oregon offer a voluntary road usage charge (RUC) program instead of the PHEVEV registration fee.
Under Oregon's OReGO, PHEV owners pay a registration fee of \$86 total as well as a RUC.
Under Utah's RUC there is no additional registration fee.
Source: NMDOT's elaboration using information from afdc.energy.gov and other online sources.

Growing Interest in Road User Charges (RUC)

- Mileage based user fee
 - Replacement for motor fuel taxes
- Advantages
 - Fair
 - Flexible
 - Better incentive alignment
- Implementation Issues
 - Difficulty in determining a per mile tax rate
 - Enforcement Issues
 - Privacy Concerns
 - Equity Concerns

Future of New Mexico Road Fund

- To date, impact on state road fund of fuel efficiency improvements and EV adoption minimal:
 - average age of vehicles in NM is older (13.06 years) than the national average (12 years)
 - EV adoption has been slow due to several reasons
- But the combination of:
 - lower purchasing power of the fuel taxes and registration fees due to inflation over the years and
 - the trends in the industry towards a less fuel dependent transportation sectorwill impact road fund revenues soon and hence a discussion of keeping the road fund whole via alternative policy choices at this time is prudent.

Questions?

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