

1 HOUSE BILL 475

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO TRANSPORTATION; CREATING THE TRANSPORTATION TRUST  
12 FUND; MAKING ANNUAL TRANSFERS TO THE STATE ROAD FUND FOR  
13 PROVIDING STATE MATCHING FUNDS FOR FEDERAL GRANTS; DISTRIBUTING  
14 A PORTION OF GROSS RECEIPTS TAX REVENUE ATTRIBUTABLE TO THE  
15 SALE OF ELECTRICITY TO THE TRANSPORTATION TRUST FUND; AMENDING  
16 DISTRIBUTIONS OF THE MOTOR VEHICLE EXCISE TAX; AMENDING CERTAIN  
17 SECTIONS OF LAWS 2021 THROUGH 2024 TO REQUIRE CERTAIN  
18 UNEXPENDED GENERAL FUND CAPITAL OUTLAY APPROPRIATIONS TO REVERT  
19 TO THE TRANSPORTATION TRUST FUND; MAKING AN APPROPRIATION.  
20

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

22 SECTION 1. [NEW MATERIAL] TRANSPORTATION TRUST FUND  
23 CREATED.--

24 A. The "transportation trust fund" is created as a  
25 nonreverting fund in the state treasury. The fund consists of  
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1 distributions, appropriations, gifts, grants and donations.  
2 Income from investment of the fund shall be credited to the  
3 fund. Money in the fund shall be expended only as provided in  
4 this section.

5 B. The state investment officer, subject to the  
6 approval of the state investment council and in consultation  
7 with the state treasurer, shall invest money in the  
8 transportation trust fund in accordance with the prudent  
9 investor rule set forth in the Uniform Prudent Investor Act.

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

16 D. On July 1, 2028 and each July 1 thereafter, a  
17 transfer shall be made from the transportation trust fund to  
18 the state road fund in an amount equal to five percent of the  
19 average of the year-end market values of the fund for the  
20 immediately preceding three calendar years. Money transferred  
21 pursuant to this subsection shall be expended only to provide  
22 state matching funds for federal grants for transportation  
23 infrastructure projects.

24 E. In addition to the transfer pursuant to  
25 Subsection D of this section, money in the transportation trust

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1 fund may be expended in the event that general fund balances,  
2 including all authorized revenues and transfers to the general  
3 fund and balances in the general fund operating reserve, the  
4 appropriation contingency fund, the state-support reserve fund  
5 and the tax stabilization reserve, will not meet the level of  
6 appropriations authorized from the general fund for a fiscal  
7 year. In that event, to avoid an unconstitutional deficit, the  
8 legislature may appropriate from the transportation trust fund  
9 to the general fund only in the amount necessary to meet  
10 general fund appropriations for that fiscal year and only if  
11 the legislature has authorized transfers from the appropriation  
12 contingency fund, the general fund operating reserve and the  
13 tax stabilization reserve that exhaust those fund balances.

14 SECTION 2. A new section of the Tax Administration Act,  
15 Section 7-1-6.73 NMSA 1978, is enacted to read:

16 "7-1-6.73. [NEW MATERIAL] DISTRIBUTION--TRANSPORTATION  
17 TRUST FUND.--A distribution pursuant to Section 7-1-6.1 NMSA  
18 1978 shall be made to the transportation trust fund in an  
19 amount equal to the following percentages of the taxable gross  
20 receipts attributable to the sale of electricity:

- 21 A. prior to July 1, 2031, one percent;  
22 B. on or after July 1, 2031 and prior to July 1,  
23 2036, one and one-fourth percent;  
24 C. on or after July 1, 2036 and prior to July 1,  
25 2041, one and one-half percent;

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1 D. on or after July 1, 2041 and prior to July 1,  
2 2046, one and three-fourths percent; and

3 E. on or after July 1, 2046, two percent."

4 SECTION 3. Section 7-14-10 NMSA 1978 (being Laws 1988,  
5 Chapter 73, Section 20, as amended) is amended to read:

6 "7-14-10. DISTRIBUTION OF PROCEEDS--MOTOR VEHICLE EXCISE  
7 TAX--The receipts from the tax and any associated interest and  
8 penalties shall be deposited in the "motor vehicle suspense  
9 fund", hereby created in the state treasury. As of the end of  
10 each month, the net receipts attributable to the tax and  
11 associated penalties and interest shall be distributed as  
12 follows:

13 A. prior to July 1, 2027:

- 14 (1) thirty percent to the general fund;
- 15 (2) thirty-five percent to the state road  
16 fund;
- 17 (3) fifteen percent to the transportation  
18 project fund; and
- 19 (4) twenty percent to the transportation trust  
20 fund;

21 B. on and after July 1, 2027, except as provided in  
22 Subsection C of this section:

- 23 (1) fifty percent to the state road fund;
- 24 (2) twenty percent to the transportation  
25 project fund; and

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1                   (3) thirty percent to the transportation trust  
2 fund; and

3                   C. if, for any single fiscal year occurring after  
4 fiscal year 2030 and prior to fiscal year 2041, gross receipts  
5 tax revenues are less than ninety percent of the gross receipts  
6 tax revenues for the previous fiscal year as determined by the  
7 secretary of finance and administration, beginning on the July  
8 1 following the determination made by the secretary of finance  
9 and administration:

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

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

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

16                   (4) fifteen percent to the transportation  
17 trust fund."

18                   SECTION 4. Laws 2021, Chapter 138, Section 2 is amended  
19 to read:

20                   "SECTION 2. GENERAL FUND APPROPRIATIONS--LIMITATIONS--  
21 REVERSIONS.--

22                   A. Except as provided in Subsections C, D and G of  
23 this section and as otherwise specifically provided by law, the  
24 unexpended balance of an appropriation made in this act from  
25 the general fund shall revert to the general fund:

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1 (1) no later than September 30 following:  
2 (a) the end of fiscal year 2022 if the  
3 project for which an appropriation was made has less than five  
4 percent of the project's total appropriation amount subject to  
5 a binding written agreement with a third party on that date;

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

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

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

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

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

25 D. The balance of an appropriation made from the

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1 general fund to the Indian affairs department or the aging and  
2 long-term services department for a project located on lands of  
3 an Indian nation, tribe or pueblo shall revert in the time  
4 frame set forth in Subsection A of this section to the tribal  
5 infrastructure project fund.

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

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

14 G. The unexpended balance of an appropriation made  
15 in this act from the general fund that has not reverted on or  
16 before the effective date of this 2025 act shall revert in the  
17 time frame set forth in Subsection A of this section to the  
18 transportation trust fund."

19 SECTION 5. Laws 2022, Chapter 53, Section 2 is amended to  
20 read:

21 "SECTION 2. GENERAL FUND APPROPRIATIONS--LIMITATIONS--  
22 REVERSIONS.--

23 A. Except as provided in Subsection D of this  
24 section and as otherwise specifically provided by law, the  
25 unexpended balance of an appropriation made in this act from

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1 the general fund shall revert to the general fund:

2 (1) no later than September 30 following:

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

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

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

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

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

23 C. For the purposes of this section, "unexpended  
24 balance" means the remainder of an appropriation after  
25 reserving for unpaid costs and expenses subject to a binding

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1 written agreement with a third party.

2 D. The unexpended balance of an appropriation made  
3 in this act from the general fund that has not reverted on or  
4 before the effective date of this 2025 act shall revert in the  
5 time frame set forth in Subsection A of this section to the  
6 transportation trust fund."

7 SECTION 6. Laws 2023, Chapter 199, Section 1 is amended  
8 to read:

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

11 A. Except as provided in Subsection E of this  
12 section and as otherwise specifically provided by law, the  
13 unexpended balance of an appropriation made in this act from  
14 the general fund shall revert to the general fund:

15 (1) no later than September 30 following:

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

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

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

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

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

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

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

18 E. The unexpended balance of an appropriation made  
19 in this act from the general fund that has not reverted on or  
20 before the effective date of this 2025 act shall revert in the  
21 time frame set forth in Subsection A of this section to the  
22 transportation trust fund."

23 SECTION 7. Laws 2024, Chapter 66, Section 1 is amended to  
24 read:

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

2 A. Except as provided in Subsection E of this  
3 section and as otherwise specifically provided by law, the  
4 unexpended balance of an appropriation made in this act from  
5 the general fund shall revert to the general fund:

6 (1) no later than September 30 following:  
7 (a) the end of fiscal year 2026 for a  
8 project for which an appropriation was made to purchase  
9 vehicles, including emergency vehicles and other vehicles that  
10 require special equipment; heavy equipment; books; educational  
11 technology; or other equipment or furniture that is not related  
12 to a more inclusive construction or renovation project; or

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

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

19 B. The agencies named in this act shall certify to  
20 the department of finance and administration that the money  
21 appropriated in this act is needed for the purposes specified  
22 in the applicable section of this act. If an agency has not  
23 certified the need for the appropriation for a particular  
24 project by the end of fiscal year 2026, the authorization for  
25 that project is void.

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

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

9 E. The unexpended balance of an appropriation made  
10 in this act from the general fund that has not reverted on or  
11 before the effective date of this 2025 act shall revert in the  
12 time frame set forth in Subsection A of this section to the  
13 transportation trust fund."

14 SECTION 8. APPROPRIATION.--Four hundred million dollars  
15 (\$400,000,000) is appropriated from the general fund to the  
16 transportation trust fund for expenditure in fiscal year 2026  
17 and subsequent fiscal years to provide initial funding to the  
18 fund. Any unexpended or unencumbered balance remaining at the  
19 end of a fiscal year shall not revert to the general fund.

20 SECTION 9. EFFECTIVE DATE.--The effective date of the  
21 provisions of this act is July 1, 2025.