



Office of the Governor

MICHELLE LUJAN GRISHAM

State Transportation Commission Bonding Authority

HB 145

**Sponsors: Representatives Hochman-Vigil,
De La Cruz, Lundstrom, Brown, and Small**

Overview

House Bill 145 would allow the State Transportation Commission to borrow up to \$1.5 billion through bonds to fund highway projects. The total amount of outstanding bonds cannot exceed \$1.12 billion at any time. Eligible projects would be identified through the Statewide Transportation Improvement Program.

Starting September 2026, the Department of Transportation must report yearly on:

- How they prioritize projects based on traffic, road conditions, and economic benefits.
- How long projects are expected to last.
- Whether there's enough money to repay bonds while maintaining construction and maintenance.

Why now?

New Mexico's roads are in trouble. A 2025 report found that 57% of state and local roads are in poor or mediocre condition. These bad roads cost New Mexicans \$3.6 billion yearly through:

- \$1.6 billion in extra vehicle repair and operating costs.
- \$829 million in safety-related costs.
- \$1.2 billion due to traffic congestion.

We simply cannot afford to fall further behind in tackling the list of road maintenance and improvement projects statewide.

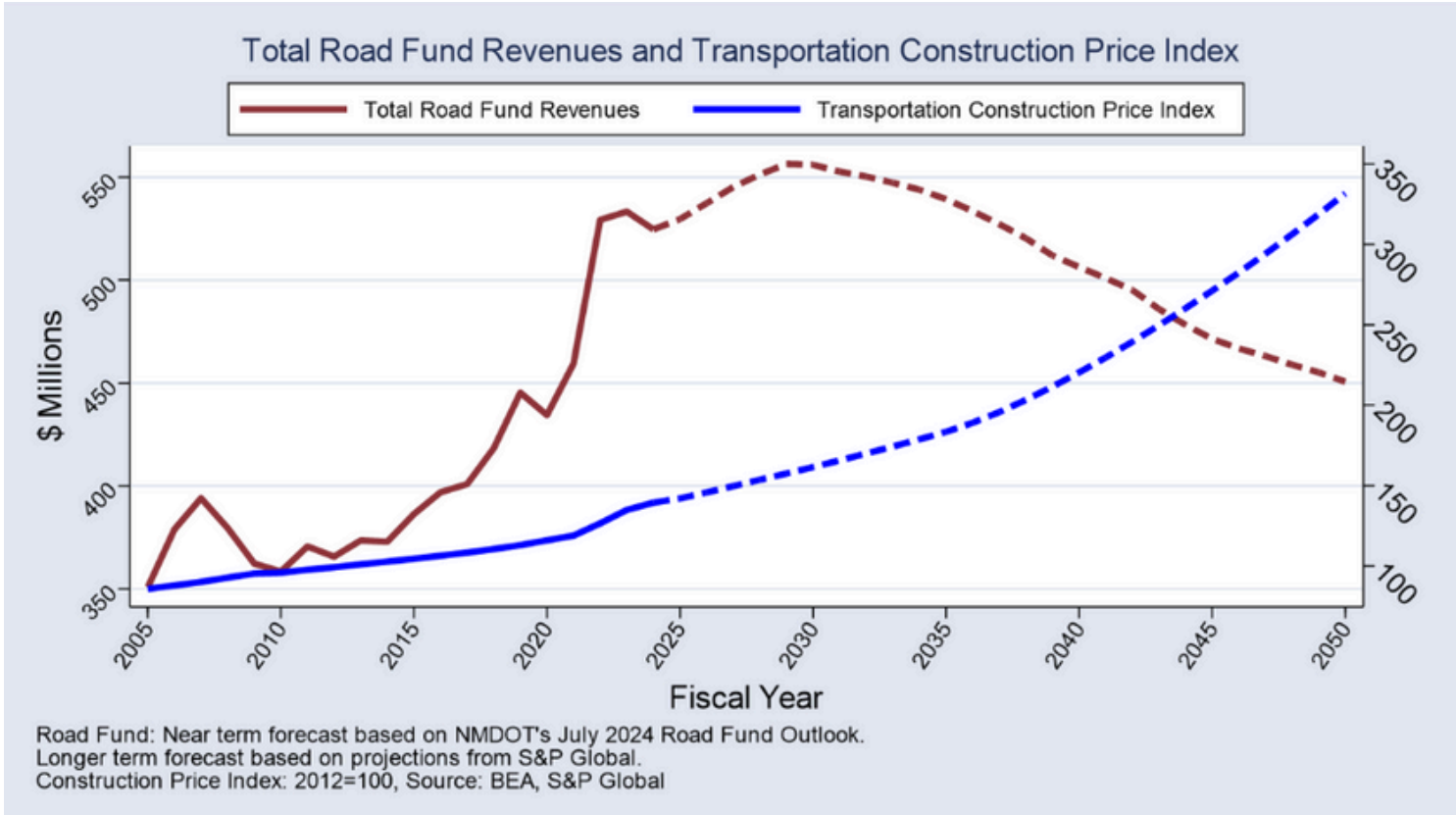
Current funding problems

The Department of Transportation relies on two main funding sources:

1. Federal government money.
2. State Road Fund (from fuel taxes, vehicle registration, and truck weight fees).

Several issues are making it hard to maintain roads:

- Construction costs are expected to rise 160% between 2023 and 2050 (see graph).
- State Road Fund revenue is projected to drop 15% by 2050, compared to 2023 (see graph).
- New Mexico's fuel taxes haven't increased in over 20 years and are among the lowest in the U.S.
- More fuel-efficient vehicles and electric cars mean less gas tax revenue.



Solution

This bill would provide funding for road maintenance and improvements through bonds backed by federal funds or available taxes and fees. The State Transportation Commission endorsed this approach in December 2024 to ensure New Mexicans have safe, well-maintained state roadways.