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SENATE BILL 18

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Dede Feldman

AN ACT

RELATING TO ENERGY; AMENDING THE DEFINITION OF ALTERNATIVE FUEL; REQUIRING STATE AGENCIES AND EDUCATIONAL INSTITUTIONS TO ACQUIRE VEHICLES CAPABLE OF OPERATING ON ALTERNATIVE FUEL; REQUIRING REPORTING OF ALTERNATIVE FUEL VEHICLE ACQUISITIONS BY STATE AGENCIES; AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 13-1-188 NMSA 1978 (being Laws 1984, Chapter 65, Section 161) is amended to read:

"13-1-188. PUBLIC ~~[PURCHASES]~~ ACQUISITION OF AMERICAN-MADE MOTOR VEHICLES REQUIRED. -- ~~[Any]~~ A state agency shall only ~~[purchase cars and trucks]~~ acquire motor vehicles assembled in North America except for gas-electric hybrid vehicles until these vehicles are assembled in North America.

For the purposes of this section, "motor vehicle" means a

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1 passenger car, bus or light, medium or heavy duty truck. "

2 Section 2. Section 13-1B-1 NMSA 1978 (being Laws 1992,
3 Chapter 58, Section 1) is amended to read:

4 "13-1B-1. SHORT TITLE. -- [~~Sections 1 through 7 of this~~
5 ~~act~~] Chapter 13, Article 1B NMSA 1978 may be cited as the
6 "Alternative Fuel [~~Conversion~~] Acquisition Act". "

7 Section 3. Section 13-1B-2 NMSA 1978 (being Laws 1992,
8 Chapter 58, Section 2, as amended) is amended to read:

9 "13-1B-2. DEFINITIONS. -- As used in the Alternative Fuel
10 [~~Conversion~~] Acquisition Act:

11 A. "alternative fuel" means natural gas, liquefied
12 petroleum gas, electricity, hydrogen, a fuel mixture
13 containing not less than eighty-five percent ethanol or
14 methanol, a fuel mixture containing not less than twenty
15 percent vegetable oil or a water-phased hydrocarbon fuel
16 emulsion consisting of a hydrocarbon base and water in an
17 amount not less than twenty percent by volume of the total
18 water-phased fuel emulsion;

19 B. "conventional fuel" means gasoline or diesel
20 fuel;

21 C. "department" means the energy, minerals and
22 natural resources department;

23 D. "fund" means the alternative fuel [~~conversion~~]
24 acquisition loan fund;

25 E. "political subdivision" means a county,

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1 municipality or school district; and

2 ~~[F. "post-secondary institution" means two- and~~
3 ~~four-year public post-secondary institutions; and~~

4 ~~G.]~~ F. "vehicle" means a passenger car, bus or
5 light, medium or heavy duty truck. "

6 Section 4. Section 13-1B-3 NMSA 1978 (being Laws 1992,
7 Chapter 58, Section 3, as amended) is amended to read:

8 "13-1B-3. [~~CONVERSION~~] ACQUISITION OF VEHICLES-
9 EXEMPTIONS. - -

10 ~~[A. The agencies and departments of state~~
11 ~~government and the post-secondary institutions shall convert~~
12 ~~vehicles that are purchased or leased after May 20, 1992 from~~
13 ~~gasoline to alternative fuel according to the following~~
14 ~~schedule:~~

15 ~~(1) if three or more vehicles are purchased~~
16 ~~in the eighty-second fiscal year or leased in the~~
17 ~~eighty-second fiscal year by a lease initiated in that year,~~
18 ~~thirty percent of these vehicles shall be converted;~~

19 ~~(2) if three or more vehicles are purchased~~
20 ~~in the eighty-third fiscal year or leased in the eighty-third~~
21 ~~fiscal year by a lease initiated in that year, sixty percent~~
22 ~~of these vehicles shall be converted; and~~

23 ~~(3) one hundred percent of the vehicles that~~
24 ~~are purchased in the eighty-fourth fiscal year or leased in~~
25 ~~the eighty-fourth fiscal year by a lease initiated in that~~

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1 ~~year, and in each of the following fiscal years, shall be~~
2 ~~converted.~~

3 ~~B. The agencies and departments of state~~
4 ~~government and the post-secondary institutions may convert~~
5 ~~their vehicles to]~~

6 A. Seventy-five percent of vehicles acquired in
7 fiscal year 2003 and each fiscal year thereafter by the
8 agencies and departments of state government and educational
9 institutions shall be vehicles that are capable of operating
10 on alternative fuel or are gas-electric hybrid vehicles.

11 Vehicles capable of operating on alternative fuel may have
12 either bi-fuel capability or [to] dedicated engine
13 configurations.

14 ~~[C.]~~ B. Certified law enforcement pursuit vehicles
15 and emergency vehicles are exempt from the provisions of the
16 Alternative Fuel [Conversion] Acquisition Act. The department
17 may exempt additional vehicles from the requirements of
18 Subsection A of this section upon demonstration by the
19 [purchasing] acquiring entity that:

20 (1) alternative fuels are unavailable at a
21 cost ~~[approximately equivalent to]~~ within fifteen percent of
22 the cost of conventional fuel within the normal driving range
23 of these vehicles; or

24 ~~[(2) the conversion payback period for these~~
25 ~~vehicles is too long to be economically feasible; or~~

1 "13-1B-4. REVOLVING LOAN FUND CREATED-- ADMINISTRATION. --

2 A. The "alternative fuel [~~conversion~~] acquisition
3 loan fund" is created in the state treasury as a revolving
4 loan fund. The department shall administer the fund and make
5 loans from the fund in accordance with the Alternative Fuel
6 [~~Conversion~~] Acquisition Act.

7 B. The fund shall consist of earnings on balances
8 in the fund, receipts from the repayment of loans made
9 pursuant to the Alternative Fuel [~~Conversion~~] Acquisition Act
10 and appropriations made by the legislature.

11 C. The fund balance shall not exceed five million
12 dollars (\$5,000,000), and any balance in the fund of five
13 million dollars (\$5,000,000) or less shall not revert to the
14 general fund at the end of any fiscal year. Interest on cash
15 balances and repayment of loans in excess of the amount
16 necessary to maintain the fund balance at five million dollars
17 (\$5,000,000) shall be deposited in the general fund.

18 D. Administrative costs of the fund shall be paid
19 by the department until interest revenues in the fund are
20 sufficient to cover administrative costs, at which time
21 administrative costs may be paid from the fund.

22 E. Expenditures from the fund shall be supported
23 by loan documents evidencing the intent of the borrower to
24 repay the loan. The original loan documents shall be filed
25 with the department of finance and administration, and a copy

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1 shall be filed with the department. "

2 Section 6. Section 13-1B-5 NMSA 1978 (being Laws 1992,
3 Chapter 58, Section 5, as amended) is amended to read:

4 "13-1B-5. REVOLVING LOAN FUND--LOANS MADE FROM THE
5 FUND. --

6 A. Money available in the fund may be loaned by
7 the department to reimburse the expenses incurred in
8 [~~converting~~] acquiring vehicles of the agencies and
9 departments of state government, political subdivisions and
10 [~~the post-secondary~~] educational institutions from gasoline to
11 alternative fuel.

12 B. A state agency or department, a political
13 subdivision or [~~a post-secondary~~] an educational institution
14 to which a loan is made shall demonstrate the ability to pay
15 back the loan within seven years of the date that its vehicles
16 are [~~converted~~] acquired.

17 C. The maximum amount loaned to [~~convert~~] acquire
18 a vehicle shall not exceed the actual cost of [~~converting~~]
19 acquiring the vehicle or three thousand dollars (\$3,000),
20 whichever is less. "

21 Section 7. Section 13-1B-6 NMSA 1978 (being Laws 1992,
22 Chapter 58, Section 6, as amended) is amended to read:

23 "13-1B-6. LOAN PROGRAM--DUTIES OF THE DEPARTMENT. --

24 A. The department shall:

25 (1) administer the provisions of the

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1 Alternative Fuel [~~Conversion~~] Acquisition Act, except that the
2 provisions of Section 13-1B-3 NMSA 1978 shall be administered
3 by the commission on higher education and the state department
4 of public education for [~~its~~] their respective programs;

5 (2) establish a program to make loans to the
6 agencies and departments of state government, political
7 subdivisions and [~~the post-secondary~~] educational
8 institutions, individually or jointly, to facilitate the
9 [~~conversion~~] acquisition of vehicles of the agencies and
10 departments of state government, political subdivisions and
11 [~~the post-secondary~~] educational institutions in accordance
12 with the Alternative Fuel [~~Conversion~~] Acquisition Act;

13 (3) review, evaluate and approve or reject
14 all loan applications submitted to obtain loans from the fund;

15 (4) submit an annual report to the governor
16 and the legislature evaluating the status and the
17 effectiveness of the Alternative Fuel [~~Conversion~~] Acquisition
18 Act; and

19 (5) have an annual audit performed on the
20 administration of the fund.

21 B. The department shall adopt rules and
22 regulations necessary to carry out the purposes of the
23 Alternative Fuel [~~Conversion~~] Acquisition Act, including rules
24 and regulations governing:

25 (1) the procedures and format for submitting

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1 loan applications to the department to obtain a loan from the
2 fund;

3 (2) the criteria to review, evaluate and
4 approve loan applications;

5 (3) the procedure to determine the
6 distribution of money in the fund; and

7 (4) the procedure to determine and notify an
8 applicant of the progress on a loan application. "

9 Section 8. Section 13-1B-7 NMSA 1978 (being Laws 1992,
10 Chapter 58, Section 7) is amended to read:

11 "13-1B-7. REPAYMENT OF LOANS TO THE FUND. --

12 A. When developing the repayment schedule for
13 loans from the fund, the department shall consider the
14 projected savings from [~~conversion to~~] alternative fuel.

15 B. The department of finance and administration
16 shall collect and account for the loans made from the fund,
17 and it shall have custody of all of the original loan
18 documents, including all notes and contracts evidencing the
19 [~~indebtedness of~~] amounts owed to the fund.

20 C. Loans shall be made for a period of time not to
21 exceed seven years, with an annual interest rate of five
22 percent. A loan shall be repaid in equal annual installments,
23 with the first annual installment due within one year of the
24 date on which the loan is issued.

25 D. Loans shall be made only for eligible items. "

