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HOUSE BILL 32

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

INTRODUCED BY

Debra M. Sariñana and Yanira Gurrola and Tara L. Lujan

AN ACT

RELATING TO SCHOOLS; PROVIDING SCHOOL DISTRICTS THE OPTION TO REPLACE SCHOOL BUSES WITH ELECTRIC OR ZERO EMISSION ALTERNATIVE FUEL SCHOOL BUSES; ALLOWING SCHOOL DISTRICTS TO ENTER INTO AGREEMENTS FOR THE USE OF THEIR ELECTRIC SCHOOL BUSES AS ELECTRICAL ENERGY STORAGE FOR PROVIDING GRID SERVICES OR FOR USE BY SCHOOLS.

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

SECTION 1. Section 22-8-27 NMSA 1978 (being Laws 1967, Chapter 16, Section 77, as amended) is amended to read:

"22-8-27. TRANSPORTATION EQUIPMENT.--

A. The department shall establish a systematic program for the purchase of necessary school bus transportation equipment.

B. In establishing a system for the replacement of

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1 school-district-owned buses, the department shall provide for
2 the replacement of school buses on a twelve-year cycle. The
3 department shall provide school districts the option to replace
4 a school bus with an electric or a zero emission alternative
5 fuel school bus. School districts requiring additional buses
6 to accommodate growth in the school district or to meet other
7 special needs may petition the department for additional buses.
8 Under exceptional circumstances, school districts may also
9 petition the department for permission to replace buses prior
10 to the completion of a twelve-year cycle or to use buses in
11 excess of twelve years contingent upon satisfactory annual
12 safety inspections.

13 C. In establishing a system for the use of
14 contractor-owned buses by school districts or state-chartered
15 charter schools, the department shall establish a schedule for
16 the payment of rental fees for the use of contractor-owned
17 buses. The department shall establish procedures to ensure the
18 systematic replacement of buses on a twelve-year replacement
19 cycle. School districts requiring additional buses to
20 accommodate growth in the school district or to meet other
21 special needs may petition the department for additional buses.
22 Under exceptional circumstances, school districts may also
23 petition the department for permission to replace buses prior
24 to the completion of a twelve-year cycle or to use buses in
25 excess of twelve years contingent upon satisfactory annual

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1 safety inspections.

2 D. The school district shall file a lien on every
3 contractor-owned school bus under the contract, which lien
4 shall have priority second only to a lien securing a purchase-
5 money obligation. The school district shall perfect its lien
6 on each contractor-owned school bus by filing the lien with the
7 motor vehicle division of the taxation and revenue department.
8 The lien shall be recorded on the title of the school bus. A
9 school bus contractor shall not refinance or use a school bus
10 on which a school district has a lien as collateral for any
11 other loan without prior written permission of the department.
12 A school bus lien shall be collected and enforced as provided
13 in Chapter 55, Article 9 NMSA 1978. The school district shall
14 release its lien on a school bus:

15 (1) when the department authorizes a
16 replacement of the school bus; or

17 (2) when the contractor has reimbursed the
18 school district the amount calculated pursuant to Subsection E
19 of this section if the school bus service contract is
20 terminated or not renewed and the contractor owes the school
21 district as provided in that subsection.

22 E. No school district shall pay rental fees for any
23 one bus for a period in excess of five years. In the event a
24 school bus service contract is terminated or not renewed by
25 either party, the department shall calculate the remaining

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1 number of years that a bus could be used based on a twelve-year
2 replacement cycle and calculate a value reflecting that use.
3 The school district shall deduct an amount equal to that value
4 from any remaining amount due on the contract, or if no balance
5 remains on the contract, the contractor shall reimburse the
6 school district an amount equal to the value calculated.

7 F. If the school district fails to take action to
8 collect money owed to it when a school bus contract is
9 terminated or not renewed, the department may deduct the amount
10 from the school district's transportation distribution.

11 G. If a school district chooses to replace a school
12 bus with an electric or a zero emission alternative fuel school
13 bus and the school district:

14 (1) has not obtained grants or other non-state
15 funding for at least one-half of the cost of the electric or
16 zero emission alternative fuel school bus, the department shall
17 provide that school district with no less funding per bus than
18 it would provide for a diesel school bus replacement. The
19 district shall use these funds for an electric or a zero
20 emission alternative fuel school bus and related charging
21 infrastructure; or

22 (2) has received grants or other non-state
23 funding for at least one-half of the cost of the electric or
24 zero emission alternative fuel school bus, the department shall
25 provide that school district with the funding needed for the

1 bus and related charging infrastructure up to the amount it
2 would otherwise provide for a diesel school bus replacement."

3 SECTION 2. [NEW MATERIAL] ELECTRIC SCHOOL BUS ALTERNATIVE
4 USES--SUPERINTENDENT AGREEMENTS.--

5 A. Electric school buses owned, leased or purchased
6 by the state may, when not in use by the school district for
7 the transportation of students, be used as electrical energy
8 storage for:

9 (1) providing grid services; or

10 (2) use by schools to reduce daily electrical
11 demand and for electric supply in an emergency, as determined
12 and declared by the superintendent of the school district that
13 owns, leases or purchased the electric school bus.

14 B. Prior to an electric school bus or its battery
15 being used pursuant to this section, the superintendent of the
16 school district that owns, leases or purchased the electric
17 school bus shall negotiate an agreement with a school, electric
18 utility or cooperative service, in compliance with applicable
19 code and safety requirements, for the use, compensation and
20 testing of the bidirectional charging capability of the school
21 bus or its battery.