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HOUSE BILL 165

**53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

INTRODUCED BY

Roberto "Bobby" J. Gonzales

AN ACT

RELATING TO GOVERNMENT PURCHASES; AMENDING THE ALTERNATIVE FUEL ACQUISITION ACT; DEFINING THE TYPES OF VEHICLES THAT ARE ELIGIBLE FOR PURCHASE THROUGH THE ALTERNATIVE FUEL ACQUISITION LOAN FUND; REDUCING THE INTEREST RATE ON LOANS FROM THE FUND TO ZERO.

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

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

"13-1B-2. DEFINITIONS.--As used in the Alternative Fuel Acquisition Act:

A. "alternative fuel" means natural gas, liquefied petroleum gas, electricity, hydrogen, a fuel mixture containing not less than eighty-five percent ethanol or methanol, a fuel mixture containing not less than twenty percent vegetable oil

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1 or a water-phased hydrocarbon fuel emulsion consisting of a  
2 hydrocarbon base and water in an amount not less than twenty  
3 percent by volume of the total water-phased fuel emulsion;

4 B. "conventional fuel" means gasoline or diesel  
5 fuel;

6 C. "department" means the energy, minerals and  
7 natural resources department;

8 D. "fund" means the alternative fuel acquisition  
9 loan fund;

10 E. "heavy duty vehicle" means a vehicle weighing  
11 more than twenty-six thousand pounds;

12 F. "light duty vehicle" means a vehicle weighing  
13 not more than fourteen thousand pounds;

14 G. "medium duty vehicle" means a vehicle weighing  
15 more than fourteen thousand pounds but not more than twenty-six  
16 thousand pounds; and

17 [~~E.~~] H. "political subdivision" means a county,  
18 municipality or school district [~~and~~

19 F. ~~"vehicle" means a light duty vehicle under 8,500~~  
20 ~~pounds]."~~

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

23 "13-1B-3. ACQUISITION OF VEHICLES--EXEMPTIONS.--

24 A. Seventy-five percent of light duty vehicles  
25 acquired in fiscal year 2003 and each fiscal year thereafter by

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1 the agencies and departments of state government and  
2 educational institutions shall be vehicles that:

3 (1) meet or exceed the corporate average fuel  
4 economy standards for vehicles issued by the national highway  
5 transportation safety administration of the United States  
6 department of transportation;

7 (2) are hybrid vehicles;

8 (3) are capable of operating on alternative  
9 fuel with either bi-fuel capability or dedicated engine  
10 configurations; or

11 (4) are plug-in electric vehicles.

12 B. Certified law enforcement pursuit vehicles and  
13 emergency light duty vehicles are exempt from the provisions of  
14 the Alternative Fuel Acquisition Act. The department may  
15 exempt additional light duty vehicles from the requirements of  
16 Subsection A of this section upon demonstration by the  
17 acquiring entity that:

18 (1) a vehicle that meets the corporate average  
19 fuel economy standards is not suitable for its intended use or  
20 is unavailable from an original vehicle manufacturer;

21 (2) alternative fuels are unavailable at a  
22 cost within fifteen percent of the cost of conventional fuel  
23 within the normal driving range of these vehicles; or

24 (3) a vehicle suitable for its intended use  
25 and capable of operating on alternative fuel or a

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1 gas-electric hybrid is not available from an original equipment  
2 manufacturer.

3 C. Equipment and installation procedures shall  
4 conform to all applicable state and federal safety and  
5 environmental regulations and standards.

6 D. The agencies and departments of state  
7 government, political subdivisions and educational institutions  
8 may submit loan applications to the department to acquire loans  
9 to facilitate the acquisition of their vehicles.

10 E. Agencies and departments of state government  
11 and educational institutions shall provide to the department  
12 by September 1, 2003 and by September 1 of each year  
13 thereafter the total number of light duty vehicles acquired  
14 in the preceding fiscal year and the number of those light  
15 duty vehicles that meet the requirements of Paragraphs (1)  
16 through (4) of Subsection A of this section and the make,  
17 model, fuel or power type of and corporate average fuel  
18 economy rating for each of those vehicles."

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

21 "13-1B-5. REVOLVING LOAN FUND--LOANS MADE FROM THE  
22 FUND.--

23 A. Money available in the fund may be loaned by  
24 the department to reimburse the expenses incurred in  
25 acquiring vehicles of the agencies and departments of state

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1 government, political subdivisions and educational  
2 institutions from gasoline to alternative fuel.

3 B. A state agency or department, a political  
4 subdivision or an educational institution to which a loan is  
5 made shall demonstrate the ability to pay back the loan  
6 within seven years of the date that its vehicles are  
7 acquired.

8 C. Use of the fund shall be limited to purchases  
9 of light duty, medium duty or heavy duty vehicles that use  
10 natural gas, liquified petroleum gas, electricity or  
11 hydrogen.

12 [~~G.~~] D. The maximum amount loaned to acquire a  
13 vehicle shall not exceed the actual incremental cost of  
14 acquiring the vehicle or [~~three thousand dollars (\$3,000),~~  
15 ~~whichever is less~~]:

16 (1) five thousand dollars (\$5,000) for a  
17 light duty vehicle;

18 (2) ten thousand dollars (\$10,000) for a  
19 medium duty vehicle; or

20 (3) twenty thousand dollars (\$20,000) for a  
21 heavy duty vehicle."

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

24 "13-1B-7. REPAYMENT OF LOANS TO THE FUND.--

25 A. When developing the repayment schedule for

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1 loans from the fund, the department shall consider the  
2 projected savings from alternative fuel.

3 B. The department of finance and administration  
4 shall collect and account for the loans made from the fund,  
5 and it shall have custody of all of the original loan  
6 documents, including all notes and contracts evidencing the  
7 amounts owed to the fund.

8 C. Loans shall be made for a period of time not  
9 to exceed seven years, with an annual interest rate of [~~five~~]  
10 zero percent. A loan shall be repaid in equal annual  
11 installments, with the first annual installment due within  
12 one year of the date on which the loan is issued.

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

14 SECTION 5. EFFECTIVE DATE.--The effective date of the  
15 provisions of this act is July 1, 2018.