

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/27/2025

Check all that apply:

Bill Number: SB 131

Original Correction
Amendment Substitute

Sponsor: Sen. Pat Woods; Rep. Randall T. Pettigrew; Sen. George K. Muñoz; Rep. Gail Armstrong; Rep. Alan T. Martinez.

Agency Name and Code Number: 305 – New Mexico Department of Justice

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Short Title: Zero-Emission Vehicle Rules

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurr ing	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB 139
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: SB 131 would add a section to Chapter 74, Article 1, governing the authority of the Environmental Improvement Board (EIB) to regulate transportation fuel. *See* NMSA § 74-1-18. The bill would prevent the EIB from “adopt[ing] or continu[ing] in effect a rule” that requires automobile manufacturers to produce or deliver a “percentage of zero-emission vehicles for a model year to control motor vehicle emissions or for any other lawful purpose.”

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

This bill would likely nullify portions of the New Motor Vehicle Emission Standards rules, which were adopted by the EIB, effective December 31, 2023. *See* 20.2.91.104–.109 NMAC (statewide vehicle emissions standards); 20.11.104.104–.109 NMAC (Albuquerque and Bernalillo County standards). These rules adopt California’s emissions standards per 42 U.S.C. § 7507(1) (authorizing states to adopt standards “identical to the California standards for which a waiver has been granted”), and require that new motor vehicles, light-duty trucks, and medium-duty vehicles for model years 2027 through 2032 comply with motor vehicle emissions standards and zero-emission motor vehicle requirements set out in the California Code of Regulations. *See* 20.2.91.101 NMAC (incorporating California emissions standards in existence at the time of the rule’s effective date); *see, e.g.,* 20.2.91.108(B) NMAC (adopting zero-emission vehicle requirements set forth in Cal. Code Regs. Tit. 13, § 1962.4); Cal. Code Regs. tit. 13, § 1962.4 (specifying, for example, zero-emission vehicle requirements for model year 2026 onwards for passenger cars and light-duty trucks, beginning with a 35% requirement for model year 2026).

These regulations are currently being challenged in the New Mexico Court of Appeals. Case No. A-1-CA-41585.

SB 131 may conflict with § 74-1-5, which makes it mandatory for the EIB to “prevent or abate air pollution.” § 74-1-5(A). Further, EIB must “adopt rules that “shall be at least as stringent as federal law, if any, relating to control of motor vehicle emissions.” § 74-1-5(E). Because the EPA has recently made its vehicle emissions standards more stringent, further analysis may be needed to determine whether the new federal standards (which the EIB must implement) would effectively require zero-emissions vehicles to make compliance with fleetwide average emissions possible, even if the rule does not explicitly mandate them. *See Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles*, 89 Fed. Reg. 27,842, 27,842 (Apr. 18, 2024) (requiring “more stringent vehicle emissions standards” for vehicle emissions for MY 2027 through 2032); *id.* at 27,898 (“As a legal matter, this rule does not mandate that any manufacturer use any specific technology to meet the standards in this rule; nor does the rule ban gasoline engines,” and “as a practical matter, . . . manufacturers can adopt a wide array of technologies . . . to comply with this rule.”).

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill is similar to SB 139, which proposes a standalone addition to the Air Quality Control Act (AQCA) to prohibit any state or local agency or board from claiming authority under the AQCA to restrict or limit the “use, lease, sale or purchase of a vehicle . . . based on the energy sources used to power the vehicle,” or which does so on the basis that the new vehicle has “an internal combustion engine.”

SB 99 may be related to SB 131 because it would amend the CTFS program to require that “a transportation fuel shall not be assigned a carbon intensity value of less than zero.”

TECHNICAL ISSUES

None noted

OTHER SUBSTANTIVE ISSUES

None noted

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

N/A