

LFC Requester: _____

AGENCY BILL ANALYSIS

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment _____
 Correction _____ Substitute _____

Date 1/27/25
 Bill No: SB131

Sponsor: Senators Woods, Pettigrew, Munoz
Short Title: Zero Emissions Vehicle Rules

Agency Name and Code Number: EMNRD - 521
Person Writing: Samantha Kao
Phone: _____ **Email:** samantha.kao@emnrd.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB131 would amend the Clean Transportation Fuel Standard Program, part of the Environmental Improvement Act (EIA) Section 74-1-1 NMSA 1978, to prohibit the adoption of certain rules relating to the production and delivery for sales of zero-emission vehicles.

Effective Date:

This bill would go into effect 90 days after signature.

FISCAL IMPLICATIONS

No fiscal implications for EMNRD.

SIGNIFICANT ISSUES

The Clean Transportation Fuel Standard Program (CTFSP) grants the Environmental Improvement Board (EIB) the authority to establish and enforce a statewide clean transportation fuel standard. It also mandates the EIB to monitor the carbon intensity of transportation fuels and sets requirements for fuel registration along with associated fees. Additionally, CTFSP empowers the Environment Department (NMED) to develop, maintain, and enforce program regulations.

SB131 seeks to limit the EIB's authority by prohibiting it from adopting rules that require manufacturers to produce or sell a specified percentage of zero-emission vehicles to manage motor vehicle emissions.

Vehicle requirements ensure that the new low-carbon fuels being produced are compatible with existing vehicle fleets, preventing issues like engine damage or performance degradation. By advancing technology requirements and setting standards for vehicle emissions and fuel efficiency, CTFSP incentivizes manufacturers to develop and produce cleaner vehicles, accelerating the adoption of new technologies like electric vehicles. Vehicle requirements can inform consumers about the availability and compatibility of cleaner fuel options, allowing them to make informed choices when purchasing new vehicles. SB131's attempt to restrict the EIB's ability to reduce motor vehicle emissions directly contradicts the goals of the CTFSP and undermines the Governor's Executive Order 2019-003 on Addressing Climate Change and Energy Waste Prevention.

PERFORMANCE IMPLICATIONS

New Mexico is subject to several federal and state mandates for alternative fuel vehicle fleets, including the DOE's Energy Policy Act (EPAct), New Mexico's Alternative Fuel Acquisition Act, and the Governor's Executive Order 2023-138. Each year, 75% of new vehicles purchased by state fleets must be alternative fuel vehicles, but many departments struggle to find enough available for purchase in the state. The CTFSP will help increase the supply of alternative fuel vehicles in the state to meet these challenging requirements. However, SB131 would hinder the ability of state fleets to fulfill these existing mandates.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The proposed amendment also conflicts with or undercuts the state's Air Quality Control Act, which explicitly mandates the EIB "shall prevent or abate air pollution" and that it "shall ... adopt [and] promulgate ... rules and standards ... [to] prevent or abate air pollution." (*See*, NMSA 1978, §§ 74-2-5 (A) and (B).) It also arguably conflicts with Section 72-4-5 (E) of the Air Quality Control Act which requires that "[a]ny rule adopted pursuant to this section shall be at least as stringent as federal law, if any, relating to control of motor vehicle emissions," which clearly indicates a desire for the state's control of motor vehicle emission to be *at least if not more stringent* than any similar federal regulations.

The proposed bill also would require the EIB to not enforce a rule it already has adopted and promulgated, 20.2.91 NMAC, New Motor Vehicle Emission Standards, in particular the sections adopting California vehicle emission standards and requirements, such as the "Zero-Emission Vehicle Requirements for 2026 and Subsequent Model Year Passenger Cars and Light-Duty Trucks" from Title 13, Section 1962.4 of the California Code of Regulations that is incorporated by reference into the rule.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB131 is not enacted, New Mexican dealerships will be able to continue complying with the rule without interruption, and residents of New Mexico will continue to have more options of the clean fuel vehicles they desire, through local dealerships in state.

AMENDMENTS