

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 139

Original Correction
Amendment Substitute

Sponsor: Sen. Pat Woods; Sen. George K. Muñoz; Rep. Randall T. Pettigrew

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

Person Writing

Analysis: Esther Jamison

Short Title: Zero-Emission Vehicle Rule Prohibition

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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 Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB 139 relates to SB 131
 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 139 would add a new section to the Air Quality Control Act (AQCA), § 74-2-1 to -17, to prevent any state or local agency or board with jurisdiction over AQCA enforcement from “adopt[ing] or continu[ing] in effect a rule that” limits or prohibits the “delivery, use, lease, sale or purchase . . . based on the energy source used to power the vehicle,” such as vehicles with “an internal combustion engine.” SB 139. It also prohibits “establish[ing] a percentage or proportion of vehicles that must be delivered, used, leased, sold or purchased . . . based on the energy source used to power the vehicle.” *Id.*

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

SB 139 would likely nullify portions of the New Motor Vehicle Emission Standards rules, which were adopted by the EIB with an effective date of 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). It would also prohibit the adoption and implementation of similar rules in the future. The Vehicle Emission Standards rules adopt certain California 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).

EIB must adopt rules that “shall be at least as stringent as federal law, if any, relating to control of motor vehicle emissions.” § 74-2-5(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

SB 139 is similar to SB 131, which seeks to amend the Clean Transportation Fuel Standards (CTFS) program in § 74-1-18.

SB 99 may also be related to SB 139 and 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

Status Quo.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

N/A