

underscored material = new  
[bracketed material] = delete

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HOUSE BILL 32

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

INTRODUCED BY

Debra M. Sariñana and William P. Soules and Yanira Gurrola  
and Tara L. Lujan and Mimi Stewart

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

underscored material = new  
~~[bracketed material] = delete~~

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

.228902.2

underscoring material = new  
~~[bracketed material] = delete~~

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

.228902.2

underscored material = new  
[bracketed material] = delete

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

.228902.2

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.