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

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

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

D. "fund" means the alternative fuel acquisition

1 loan fund;

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

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

6 G. "medium duty vehicle" means a vehicle weighing
7 more than fourteen thousand pounds but not more than twenty-
8 six thousand pounds; and

9 H. "political subdivision" means a county,
10 municipality or school district."

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

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

14 A. Seventy-five percent of light duty vehicles
15 acquired in fiscal year 2003 and each fiscal year thereafter
16 by the agencies and departments of state government and
17 educational institutions shall be vehicles that:

18 (1) meet or exceed the corporate average
19 fuel economy standards for vehicles issued by the national
20 highway transportation safety administration of the United
21 States department of transportation;

22 (2) are hybrid vehicles;

23 (3) are capable of operating on alternative
24 fuel with either bi-fuel capability or dedicated engine
25 configurations; or

1 (4) are plug-in electric vehicles.

2 B. Certified law enforcement pursuit vehicles and
3 emergency light duty vehicles are exempt from the provisions
4 of the Alternative Fuel Acquisition Act. The department may
5 exempt additional light duty vehicles from the requirements
6 of Subsection A of this section upon demonstration by the
7 acquiring entity that:

8 (1) a vehicle that meets the corporate
9 average fuel economy standards is not suitable for its
10 intended use or is unavailable from an original vehicle
11 manufacturer;

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

15 (3) a vehicle suitable for its intended use
16 and capable of operating on alternative fuel or a
17 gas-electric hybrid is not available from an original
18 equipment manufacturer.

19 C. Equipment and installation procedures shall
20 conform to all applicable state and federal safety and
21 environmental regulations and standards.

22 D. The agencies and departments of state
23 government, political subdivisions and educational
24 institutions may submit loan applications to the department
25 to acquire loans to facilitate the acquisition of their

1 vehicles.

2 E. Agencies and departments of state government
3 and educational institutions shall provide to the department
4 by September 1, 2003 and by September 1 of each year
5 thereafter the total number of light duty vehicles acquired in
6 the preceding fiscal year and the number of those light duty
7 vehicles that meet the requirements of Paragraphs (1) through
8 (4) of Subsection A of this section and the make, model, fuel
9 or power type of and corporate average fuel economy rating for
10 each of those vehicles."

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

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

15 A. Money available in the fund may be loaned by
16 the department to reimburse the expenses incurred in acquiring
17 vehicles of the agencies and departments of state government,
18 political subdivisions and educational institutions from
19 gasoline to alternative fuel.

20 B. A state agency or department, a political
21 subdivision or an educational institution to which a loan is
22 made shall demonstrate the ability to pay back the loan within
23 seven years of the date that its vehicles are acquired.

24 C. Use of the fund shall be limited to purchases
25 of light duty, medium duty or heavy duty vehicles that use

1 natural gas, liquified petroleum gas, electricity or hydrogen.

2 D. The maximum amount loaned to acquire a vehicle
3 shall not exceed the actual incremental cost of acquiring the
4 vehicle or:

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

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

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

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

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

14 A. When developing the repayment schedule for
15 loans from the fund, the department shall consider the
16 projected savings from alternative fuel.

17 B. The department of finance and administration
18 shall collect and account for the loans made from the fund,
19 and it shall have custody of all of the original loan
20 documents, including all notes and contracts evidencing the
21 amounts owed to the fund.

22 C. Loans shall be made for a period of time not to
23 exceed seven years, with an annual interest rate of zero
24 percent. A loan shall be repaid in equal annual installments,
25 with the first annual installment due within one year of the

1 date on which the loan is issued.

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

3 SECTION 5. EFFECTIVE DATE.--The effective date of the
4 provisions of this act is July 1, 2018. _____

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