

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

NEW MEXICO COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Counties receive a portion of the revenues from a special fuel excise tax levied by the state, and motor vehicle rental taxes and fees imposed by the state, both of which are channeled to counties through the local government's road fund for local road projects and maintenance.
- Each county receives a portion of the proceeds from state taxes and fees on motor vehicles. Some of these proceeds are channeled to counties through the local government's road fund according to its distribution formula, while others are distributed directly to each county according to the number of motor vehicles it registers and the total length of roadways for which it is responsible for maintenance.
- The New Mexico Department of Transportation Local Government Road Fund (LGRF) is a transportation fund that consists of four programs:
 - Cooperative Agreements: 42%
 - School Bus Routes: 16%
 - County Arterial Program: 26%
 - Municipal Arterial Program: 16%
- The LGRF Cooperative Program breakdown of funding:
 - Municipal: 49%
 - County: 33%
 - School District: 14%
 - Others: 4%

From Federal Funds:

- Twenty-two (22) of New Mexico's 33 counties get funding through the Secure Rural School and Community Self-Determination (SRS) Act.

From County Funds:

- Counties' main source of revenues are from property taxes

Share of County Owned Road Miles Out of Public Roads Statewide	58%
Share of County Owned Bridges Out of Public Bridges Statewide	9%
Share of Structurally Deficient Bridges Out of County Owned Bridges	17%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Counties have limitations on property tax rates and assessment increases.
Levy Personal Property Taxes	X	Must be at same rate as real property taxes.
Levy Local Option Sales Taxes	X	Counties have authority to impose (by referendum) three types of local option sales taxes
Levy a Local Gas Tax	X	Counties may levy a gas tax at rates of 1 or 2 cpg, and an additional 1 or 2 cpg to pay for sick or indigent persons at a county hospital.
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation	X	Counties may create an improvement district and establish a road and street fund for tax revenue to finance infrastructure expansion in the district.

- Counties can impose three types of local option sales taxes:
 - Many counties impose a 1/8 percent County Gross Infrastructure Gross Receipts Tax, which can be used for repair, replacement, maintenance or operation of any county infrastructure improvements.
 - Many counties also impose a 1/4 percent County Capital Outlay Gross Receipts Tax, which can be used for construction, reconstruction or improvement of roads, streets or bridges.
 - Counties can also impose a 1/2 percent County Regional Transit Gross Receipts Tax.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Counties' main source of funding for roads and bridges is the property tax. The state imposes limitations on increases in the property tax rates and assessment increases, which limit counties' ability to generate revenues from increases in property values.
- Counties have too many unfunded mandates with limited revenue sources, and are forced to spread the little funds they have across all governmental functions. There is a high indigent population and over 50 percent of county funds go towards law enforcement and jails. Combined with challenges with the education system, transportation usually drops to the bottom of the ladder in terms of county funding.
- Counties are responsible for many rural roads because of the large size of the state. Additionally, there is virtually no public transportation system so roads are the only way people can get around.