New Mexico Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• Counties may issue both revenue and general obligation bonds for a variety of purposes including the establishment and maintenance of public roads and construction of bridges. General obligation bonds are subject to approval in an election.

• Counties may borrow money only for purposes of construction of public buildings, construction or repairing of roads, constructing an airport, and acquiring land for open space trails.

• Counties can only impose impact fees if they have a capital improvements plan, though they may assess other fees for services provision

• Counties may levy a tax on gasoline sold at retail outside the incorporated limits of a municipality at a rate of $0.01 or $0.02 per gallon. Regardless of how revenues of this tax are used, the county has the authority to levy an identical tax of $0.01 or $0.02 per gallon of gasoline whose revenues must be dedicated to the care of sick and indigent persons at a county run or contracted hospital. The county must specify in its resolution the purposes for which either tax is levied.

• Counties may levy a variety of taxes on the gross receipt of business for the privilege of engaging in business within the county. Some of the purposes for which a county may levy such taxes include capital outlay projects, regional transit districts and general county purposes.

• Counties do not have authority to levy general sales and use taxes

• Counties can create an improvement district and establish a road and street fund for tax revenue generated to finance infrastructure expansion or improvements within the district.

Mandated/Authorized Transportation Services:

• The county has the authority to lay out, construct, alter, maintain, and improve county roads, as well as to perform other such duties with respect to roads.

• County may acquire land to establish, construct and operate a county airport. The county may contract debt by issuing bonds and may additionally operate the airport in conjunction with a municipality.

• Counties may also enter into regional agreements to create spaceports with the authority to construct spaceport facilities, enter contracts, issue bonds, and generate revenue.

## **Funding Sources for County Transportation Projects:**

• 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 NMDOT Local Government Road Fund (LGRF) consists of four programs:

|  |  |
| --- | --- |
| **Programs** | **Share** |
| Cooperative Agreements | 42% |
| School Bus Routes | 16% |
| County Arterial Program | 26% |
| Municipal Arterial Program | 16% |

• The LGRF Cooperative Program breakdown of funding:

|  |  |
| --- | --- |
| **Entity** | **Share** |
| Municipal | 49% |
| County | 33% |
| School District | 14% |
| Others | 4% |

Others include funds for tribal entities for roadway construction, improvements and maintenance.

## **Challenges in Funding and Financing Transportation Projects:**

## **Innovative Solutions to Funding and Financing Challenges**