MOTOR FUEL TAXES AND HIGHWAY FINANCE IN NEW MEXICO

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ACKNOWLEDGEMENTS

The genesis of this report was a phone call from attorney Peter Chestnut inquiring about the availability of published reports on New Mexico motor fuel taxes and the State Road Fund. It turns out that the State Highway Commission is required by statute (Section 67-3-22 NMSA 1978) annually, "on or before the first day of January of each year, [to] make a report to the governor of all business transacted by such commission up to and including the 30th day of November preceding, showing an itemized statement of moneys received and disbursed. " Language requiring such reports dates from the Laws of 1909 and annual reports were produced for many years. The State Library has copies of older reports. The BBER Data Bank has a series that cover the period from the 1940's into the early 1980's. Researching the availability of more recent reports involved talking to State finance people as well as phone calls to the State Library, the State Records Center, the State Archives, and the Document Custodian at the State Highway Department, who helpfully sent us tables from the official financial statements of the State Highway and Transportation Department (SHTD) as well as copies of Compass, the report on the Department's performance measures now annually made to the Governor. We appreciate the help of all those who assisted us in this quest. It became obvious, however, that the annual audit was the most comprehensive report on the finances of SHTD available. While the audit is a wonderful source document, it is not designed as a report to inform the general public. Moreover, the audit lacks detail on motor fuel taxes and other road related revenue sources and covers only the single year.

This report then attempts to fill a void and to provide, in one place, comprehensive historical information on motor fuel taxes and the finances of SHDT. The report reflects the efforts of many people. I wish to thank Secretary Rahn of the State Highway and Transportation Department for spending the time to provide me with an overview of department finances. Staff at the department answered my questions and provided ready access to audited financial statements. Al Maury and Chuck Stehwein in the Tax Research Office of the New Mexico Taxation and Revenue Department generously provided access to electronic internal files on revenue sources and worked to get their files up to date. RoseAnn Romero with the Gasoline Tax program patiently answered my questions and provided copies of Gasoline Acquisition Reports. My many calls to the State Library reference desk were answered promptly and courteously and I also appreciate their help with old Gasoline Acquisition Reports. I received research assistance from Richard Zimmerman and from a number of students, including Curt Weitkunat, Arezou Khoshakhlagh, Mandy Odom, Roxanne Nez, and Nicole Lopez. Nicole also kept materials organized and provided invaluable assistance with production. Finally, I wish to thank the New Mexico Native American Petroleum Coalition for the funding they provided for this project. We have made our best effort to provide accurate information. Inevitably there will be errors, for which we take responsibility. –Lee A. Reynis

FINANCIAL OVERVIEW
THE NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

The New Mexico State Highway and Transportation Department (SHTD) is the component unit of the State of New Mexico responsible for planning, organizing, and directing a comprehensive transportation network. The original State Highway Department was created by the New Mexico Constitution (Article V, Section 14) and by New Mexico statutes (Sections 67-3-1 through 67-3-70, NMSA, 1978) and was reorganized into the Highway and Transportation Department as a result of 1987 legislation (House Bill 210). In addition to its primary responsibilities for the State's road network and the related concerns of traffic safety and litter control, the Department is involved in planning, construction, and maintenance of a system of airports, navigation aids and related facilities. The governing body of the Department continues to be the six person State Highway Commission. The Commissioners are appointed by the Governor, with the advice and consent of the Senate, and serve for staggered six-year terms.

Unlike other State government departments, SHTD is not dependent on General Fund appropriations to finance on-going operations and receives limited funding from the State's Severance Tax Bond program. Rather, the Department has its own dedicated revenue sources, user fees and fuel taxes, and receives substantial funding from the federal government, primarily the Federal Highway Administration (FHWA) of the US Department of Transportation. Federal funding has increased dramatically over the past few years. In the fiscal year ending June 30 2000, federal funding accounted for almost half (45.7%) of total department revenues, up from 30 percent in 1990.

Table 1 presents a financial overview of the Department for fiscal years ending June 30, 1990 through 2000. The tables are based on the audited financial statements of the Department from the combined statements of revenues, expenditures and fund balances for all the government fund types used to account for SHTD finances. Governmental fund accounting uses different type of funds to account for different types of activities. General government operations are typically accounted for in a "General Fund," hence the State General Fund, while activities supported by dedicated revenue sources are accounted for in "special revenue funds." The most important fund for SHTD is a special revenue fund, the State Road Fund, although other special revenue funds have been created over the years to account for other programs with dedicated revenue sources. A list of all the special revenue funds used in FY 00 is provided in Exhibit 1 from the most recent audit. In addition to special revenue funds, the Department has made increasing use of "debt service funds" and also of "capital funds." The latter are used to account for resources (current revenues, bond proceeds) used for

capital projects (e.g., purchases of land, of equipment, construction of buildings, infrastructure), although SHTD has also chosen to set up special revenue funds to account for large projects funded with bond issues.

Table 2 provides 10 years of audited figures on the combined revenues, expenditures, and fund balances for SHTD's special revenue funds. Detail on the transfers to state operating funds can be found in Appendix A. Table 3 presents comparable figures for the largest and most important of these funds, the State Road Fund. Table 4 reproduces a table from the FY 00 audit that presents detail on all the special revenue funds. Table 5 presents 10 years of history on the capital funds and Table 6 presents the figures for the debt service funds. Note that the tables distinguish between "current expenditures" and "other expenditures," which include "capital outlay," "capital leases," and "debt service." It is important to note that the capital outlay broken out here is a tiny fraction of the resource commitment to the Department's capital program and road construction efforts. A large portion of the "contractual services" line item under current expenditures involves contract expenditures for road projects, and some of the expenditures for personnel are for planning, engineering, and other work directly related to construction. The block of lines summed to provide "net other financing sources" in each of the tables is critical to look at as it includes inter-fund transfers – from one SHTD fund to another (e.g., from the State Road Fund to debt service funds) and between SHTD and other State departments or funds.

Table 1

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - All Government Fund Types

Fiscal Years Ending June 30	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Revenues:											
User and fuel taxes	249,544,262	251,249,075	238,763,140	261,338,843	276,128,800	286,415,025	289,841,636	295,465,166	311,585,606	323,093,114	328,158,185
US Dept. of Transportation	105,999,587	115,952,807	114,200,881	181,340,959	154,271,949	152,982,891	195,564,521	157,927,490	168,570,234	215,163,366	279,695,545
US Dept. of Energy	-	-	-	-	32,594,040	8,049,075	4,236,989	5,264,305	16,601,943	25,091,786	17,109,919
US Dept. of Labor	-	-	-	-	-	-	-	-	-	-	12,820
US Dept. of Health and Human Services	-	-	-	-	-	-	-	-	-	-	42,275
Federal Emergency Management Agency	-	-	-	-	-	-	-	-	474,922	-	-
Other federal revenues	2,533,312	1,871,723	1,872,530	1,160,942	-	-	-	-	-	-	-
State General Fund	-	-	-	-	-	13,553,250	2,031,000	1,713,000	-	-	-
Other revenues	3,916,195	6,386,951	8,996,176	2,994,823	6,547,468	3,788,739	3,220,179	4,738,765	4,300,400	4,855,362	2,559,391
Interest	4,479,664	5,084,807	3,337,350	3,328,003	2,553,300	4,750,454	3,905,823	8,925,077	11,484,890	17,626,906	21,919,128
Severance tax bond sales, net	-	-	-	5,209,300	4,952,517	5,335,073	700,165	2,557,718	-	-	-
Total revenues	366,473,020	380,545,363	367,170,077	455,372,870	477,048,072	474,874,507	499,500,313	476,591,521	513,017,995	585,830,534	649,497,263
Current Expenditures:											
Personal services	60,341,624	61,634,841	64,627,107	66,330,326	68,487,611	73,158,043	73,746,520	71,321,628	68,336,558	69,949,790	73,360,978
Employee benefits	24,355,270	27,182,760	27,976,839	27,177,723	27,960,879	28,717,678	30,450,944	27,795,732	25,347,372	25,990,682	27,010,065
Travel	8,174,053	7,634,026	9,748,527	11,419,235	12,696,616	12,049,565	11,706,604	11,574,461	11,240,706	10,574,092	11,477,900
Maintenance and repairs	2,611,448	2,450,273	2,626,981	3,016,315	2,905,753	3,064,051	3,333,656	3,521,854	4,309,966	4,431,573	5,515,706
Supplies	8,940,706	8,064,503	18,088,752	25,351,416	23,436,280	26,160,521	25,921,679	27,838,638	25,208,546	24,868,867	28,112,104
Contractual services	232,478,808	198,832,166	204,798,745	276,735,938	288,575,361	300,639,065	284,575,076	245,353,174	377,869,365	447,969,134	545,806,520
Operating costs	19,337,174	6,601,931	17,249,284	5,006,862	5,876,612	5,908,104	5,692,763	10,065,559	12,704,029	14,136,703	15,320,132
Other costs	-	16,174,434	2,794,075	19,074,949	20,156,627	20,949,064	20,062,782	18,241,342	18,532,856	26,142,151	22,929,741
Out-of-state travel	-	116,257	83,109	98,977	105,119	121,907	124,840	142,457	144,216	131,345	164,160
Total current expenditures	356,239,083	328,691,191	347,993,419	434,211,741	450,200,858	470,767,998	455,614,864	413,854,845	543,693,614	624,194,337	829,697,306
Other expenditures:											
Captial outlay	12,537,000	13,335,596	7,042,092	8,024,551	10,054,413	16,349,268	16,972,564	13,784,963	14,224,885	14,342,545	17,364,197
Capital lease	-	-	-	-	-	-	-	-	2,797,730	894,696	1,357,909
Debt service - principal	5,386,945	4,305,000	4,555,000	-	4,270,000	4,380,000	4,515,000	4,675,000	5,208,804	21,044,661	25,990,653
Debt service - interest	767,319	382,452	130,956	-	1,021,290	1,880,320	1,713,880	3,600,934	5,060,418	12,708,069	23,305,872
Total other expenditures	18,691,264	18,023,048	11,728,048	8,024,551	15,345,703	22,609,588	23,201,444	22,060,897	27,291,837	48,989,971	68,018,631
Total expenditures	374,930,347	346,714,239	359,721,467	442,236,292	465,546,561	493,377,586	478,816,308	435,915,742	570,985,451	673,184,308	897,715,937
Excess (deficiency) revenues over expenditures	(8,457,327)	33,831,124	7,448,610	13,136,578	11,501,511	(18,503,079)	20,684,005	40,675,779	(57,967,456)	(87,353,774)	(248,218,674)

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - All Government Fund Types (Continued)

Fiscal Years Ending June 30	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Other financing sources (uses):											
Operating transfers - other funds	-	-	(69,188)	-	-	-	-	-	(2,035,000)	(822,939)	-
Operating transfers - intraagency	-	-	-	-	-	-	-	-	-	-	-
Transfers to other state agencies	(8,458,700)	(9,739,408)	(11,255,600)	(14,574,088)	(18,608,444)	(17,554,940)	(17,255,846)	(17,428,253)	(19,538,258)	(4,847,687)	(5,857,999)
Transfer to GSD for Santa Teresa Project	-	-	-	-	-	-	-	(1,000,000)	-	-	-
Capital projects fund	1,340,000	1,894,500	-	-	-	-	-	-	-	-	-
Severance tax bond revenue	-	-	-	-	-	-	-	-	(125,229)	8,821,323	5,617,027
State general fund reversions	-	-	(20,000,000)	-	-	-	-	-	(72,474)	275,000	-
Reversion to state general fund	-	-	-	21,656	(175,645)	(12,973)	-	(213,539)	-	(12,899)	-
Reversion from other governmental agencies	9,654	59,767	240,823	-	774,440	68,976	643,100	667,817	454,025	353,870	118,573
Debenture sale proceeds, net	-	-	-	-	49,569,159	-	-	-	-	-	-
Highway debentures proceeds	-	-	-	-	-	-	-	-	-	314,025,280	309,368,686
Bond proceeds, net of offering costs	-	-	-	-	-	-	-	98,837,055	-	-	-
Captial lease proceeds	-	-	-	-	-	-	-	-	2,797,730	894,696	1,357,909
Net other financing sources	(7,109,046)	(7,785,141)	(31,083,965)	(14,552,422)	31,561,510	(17,498,937)	(16,612,746)	80,863,080	(18,519,206)	318,698,644	310,604,196
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(15,566,373)	26,045,983	(23,635,355)	(1,415,844)	43,063,021	(38,002,016)	4,071,259	121,538,859	(76,486,682)	231,342,870	62,385,522
Fund balance, beginning of year	128,688,975	112,454,686	135,904,230	108,535,576	99,641,992	142,705,013	106,702,997	110,774,256	232,313,115	155,826,453	387,169,323
Restatements/adjustments	5,937,666	(2,596,439)	(3,733,299)	(7,477,740)							
Fund balance, end of year	119,060,268	135,904,230	108,535,576	99,641,992	142,705,013	106,702,997	110,774,256	232,313,115	155,826,453	387,169,323	449,554,845

Source: New Mexico Highway and Transportation Department, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Year Ended June 30, 2000.

Exhibit 1

Special Revenue Funds

Special Revenue Funds account for the resources devoted to the general operations of the State Highway and Transportation Department. The individual funds are as follows:

State Road Fund – The state road fund was created by Section 67-3-65, NMSA 1978. The state road fund is the operating fund of the Department and is used to account for substantially all of the Department's financial activities. (C-FRAS Fund #201)

Local Government Road Fund – The local government road fund was created by Section 67-3-28.2, NMSA 1978. This fund is used to account for monies received for (1) a cooperative agreements program for construction and improvement of public highways and streets, and public school parking lots; (2) a municipal arterial program for construction for reconstruction of highways and streets not on the state highway systems; (3) a school bus route program for maintaining, repairing, improving and paving school bus routes, and public school parking lots; and (4) a county arterial program for construction, reconstruction, improvement and maintenance of county roads. Financing for this fund is received from state excise taxes. (C-FRAS Fund #203)

Litter Control and Beautification Fund – The litter control and beautification fund was created by Section 67-1 6-14, NMSA 1978. This fund is used to carry out the provisions of the Litter Control and Beautification Act. Financing is provided from a special beautification fee of $.30 per-vehicle on registration. (C-FRAS Fund #204)

Federal Planning and Development Fund – This fund is authorized by the Commission to account for the planning and administration of federal grant monies and state matching funds for mass transportation and railroad improvements.

Federal Traffic Safety Fund – This fund is authorized by the Commission to account for federal grant monies and state-matching monies received for various traffic safety programs. (C-FRAS Fund #208)

State Aviation Fund – The state aviation fund was created by Section 64-1-15, NMSA 1978. This fund is used to account for planning, construction, and maintenance of a system of airports, navigation aids, and related facilities serving New Mexico. Financing is provided from all unrefunded taxes collected on the sale of motor fuel sold for use in aircraft. (C-FRAS Fund # 205)

Motorcycle Training Fund – The motorcycle training fund was created by Section 66-10-10, NMSA 1978. This fund is used to account for the operation of a motorcycle safety training program. Financing is provided from motorcycle registration fees and student training fees. All money in the motorcycle training fund in excess of amounts budgeted revert to the State Road Fund. (C-FRAS Fund #206)

Driver Improvement Program Fund – The driver improvement program fund was created by Executive Order 87-20. This fund is used to account for the operation of a driver improvement program. Financing is provided from fees collected from drivers' manuals and admissions to driver training courses.

DWI Prevention and Education Fund – The DWI prevention and education fund was created by Section 66-5-35, NMSA 1978. This fund is used to account for the operation of a DWI (Driving While Intoxicated) prevention and education program for elementary and secondary school students. Financing is provided from limited license and permit fee. (C-FRAS Fund #201)

Exhibit 1

Special Revenue Funds. Continued

Bond Project Fund (1993 Bonds) – The bond project fund was created due to the issuance of the December 1993 $50,000,000 State of New Mexico Highway Debentures. The funds from the sale of all of the Debentures were required to be deposited in a special account with the State Treasurer. Also, proceeds can be invested in U.S. Treasury obligations held by the State Treasurer with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the Debentures and payments of rebate, penalty, interest and other obligations relating to the Debentures or the proceeds. (C-FRAS Fund #394)

Bond Project Fund (WIPP Bonds) – The bond project fund was created due to the issuance of the December 1996 $100,000,000 State of New Mexico Highway Debentures and the $100,000,000 New Mexico State Highway Commission Subordinate Lien Tax Revenue Highway Bond Series 1998B issued in October 1998. The funds from the sales of the Debentures were required to be deposited in a special account with the State Treasurer. Also, proceeds can be invested in U.S. Treasure obligations and repurchase agreements with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the Debentures and payments of rebate, penalty, interest and other obligations relating to the Debentures or the proceeds. (C-FRAS Fund #789 and 004)

Bond Project Fund (1998 CHAT) – The bond project fund was created due to the issuance of the October 1998 $105,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 1998A. The funds from the sale of the Debentures were required to be deposited in a special account with the State Treasurer. Also, proceeds can be invested in U.S. Treasury obligations and repurchase agreements with maturities of no more than one year until needed. The funds are used to finance state highway projects, pay expenses incurred to issue the Debentures and payments of rebate, penalty, interest and other obligations relating to the Debentures or the proceeds. (C-FRAS Fund #546)

Source: State of New Mexico Office of the State Auditor, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Year Ended June 30, 1999

Table 2

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds

Fiscal Years Ending June 30	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Revenues:											
User and fuel taxes	249,544,262	251,249,075	238,763,140	261,338,843	276,128,800	286,415,025	289,841,636	295,465,166	311,585,606	323,093,114	328,158,185
US Dept. of Transportation	105,999,587	115,952,807	114,200,881	181,340,959	154,271,949	152,982,891	195,584,521	157,927,490	168,570,234	215,163,366	279,695,545
US Dept. of Energy	-	-	-	1,160,942	32,594,040	8,049,075	4,236,989	5,264,305	16,601,943	25,091,788	17,109,919
US Dept. of Labor	-	-	-	-	-	-	-	-	-	-	12,820
US Dept. of Health and Human Services	-	-	-	-	-	-	-	-	-	-	42,275
Federal Emergency Management Agency	-	-	-	-	-	-	-	-	474,922	-	-
Other federal revenues	2,533,312	1,871,723	1,872,530	-	-	-	-	-	-	-	-
State General Fund	-	-	-	-	-	13,553,250	2,031,000	1,713,000	-	-	-
Other revenues	3,916,195	6,386,951	8,996,176	2,994,823	6,547,466	3,788,739	3,220,179	4,738,765	4,300,400	4,855,362	2,559,391
Interest	4,323,601	4,913,423	3,321,769	3,328,003	2,347,232	4,594,218	3,814,231	8,543,354	11,456,888	16,451,724	20,717,956
Severance tax bond sales, net	-	-	-	5,209,300	4,952,517	5,335,073	700,165	2,557,718	-	-	-
Total revenues	366,316,957	380,373,979	367,154,496	455,372,870	476,842,004	474,718,269	499,208,721	476,209,798	512,989,993	584,655,352	648,296,091
Current Expenditures:											
Personal services	60,341,624	61,634,841	64,627,107	66,330,326	68,487,611	73,158,043	73,746,520	71,321,628	68,336,558	69,949,790	73,360,978
Employee benefits	24,355,270	27,182,760	27,976,839	27,177,723	27,960,879	28,717,878	30,450,944	27,795,732	25,347,372	25,990,682	27,010,065
Travel	8,174,053	7,634,026	9,748,527	11,419,235	12,698,616	12,049,565	11,706,604	11,574,461	11,240,708	10,574,092	11,477,900
Maintenance and repairs	2,611,448	2,450,273	2,626,981	3,016,315	2,905,753	3,059,698	3,250,219	3,521,854	4,109,869	4,431,573	5,515,706
Supplies	8,940,706	8,064,503	18,088,752	25,351,416	23,436,280	26,160,521	25,921,679	27,838,638	25,208,546	24,868,867	28,112,104
Contractual services	232,478,808	198,832,166	204,798,745	276,735,938	288,575,361	300,639,065	284,575,076	245,353,174	377,869,365	438,694,134	640,184,279
Operating costs	19,337,174	6,601,931	17,249,284	5,006,862	5,876,612	5,908,104	5,692,763	10,065,559	12,704,029	14,136,703	15,320,132
Other costs	-	16,174,434	2,794,075	19,074,949	20,156,627	20,949,064	20,062,782	16,241,342	18,532,858	26,142,151	22,929,741
Out-of-state travel	-	116,257	83,109	98,977	105,119	121,907	124,840	142,457	144,216	131,345	164,160
Total current expenditures	356,239,083	328,691,191	347,993,419	434,211,741	450,200,858	470,763,845	455,531,427	413,854,845	543,493,517	614,919,337	824,075,085
Other expenditures:											
Captial outlay	12,537,000	13,335,596	7,042,092	8,024,551	9,333,563	14,200,758	13,561,635	13,178,718	14,222,498	14,071,191	16,920,338
Capital lease	-	-	-	-	-	-	-	-	2,797,730	894,698	1,357,909

Table 2

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds (Continued)

Fiscal Years Ending June 30	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Debt service - principal	1,301,945	-	-	-	-	-	-	-	363,804	664,661	987,553
Debt service - interest	157,089	-	-	-	-	-	-	-	91,237	125,387	124,833
Total other expenditures	13,998,024	13,337,587	7,044,084	8,026,544	9,335,557	14,202,753	13,563,631	13,180,715	17,477,267	15,757,914	19,392,633
Total expenditures	370,237,107	342,028,778	355,037,503	442,238,285	459,536,415	484,966,398	469,095,058	427,035,560	560,970,784	630,677,251	843,467,698
Excess (deficiency) of revenues over expenditures	(3,920,150)	38,345,201	12,116,993	13,134,585	17,305,589	(10,248,129)	30,113,663	49,174,238	(47,980,791)	(46,021,899)	(195,171,607)
Other financing sources (uses):											
Operating transfers - other funds	-	-	(69,188)	-	(10,190,860)	(11,257,794)	(7,242,226)	(22,036,907)	(12,168,695)	(38,467,586)	(45,617,424)
Operating transfers - intraagency	(4,652,684)	(4,244,119)	15,581	-	-	-	-	-	-	-	-
Transfers to other state agencies	(8,458,700)	(9,739,408)	(11,255,600)	(14,574,088)	(18,606,444)	(17,554,940)	(17,255,846)	(17,428,253)	(19,538,258)	(4,847,687)	(5,857,999)
Transfer to GSD for Santa Teresa Project	-	-	-	-	-	-	-	-	-	-	-
Capital projects fund	1,340,000	1,894,500	-	-	-	-	-	-	-	-	-
Severance tax bond revenue	-	-	-	-	-	-	-	-	(125,229)	8,821,323	5,617,027
State General Fund Revisions	-	-	-	-	-	-	-	-	(72,474)	275,000	-
Reversion to State General Fund	-	-	(20,000,000)	-	(175,645)	(12,973)	-	(213,539)	-	(12,899)	-
Reversion from other governmental agencies	9,654	59,767	240,823	21,666	774,440	68,976	643,100	667,817	454,025	363,870	118,573
Debenture sale proceeds, net	-	-	-	-	49,569,159	-	-	-	-	-	-
Highway debentures proceeds	-	-	-	-	-	-	-	-	-	305,556,719	309,368,686
Bond proceeds, net of offering costs	-	-	-	-	-	-	-	98,837,055	-	-	-
Captial lease proceeds	-	-	-	-	-	-	-	-	2,797,730	894,696	1,357,909
Net other financing sources	(11,761,730)	(12,029,260)	(31,068,384)	(14,552,422)	21,370,650	(28,756,731)	(23,854,972)	59,826,173	(28,652,901)	272,583,436	264,986,772
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(15,681,880)	26,315,941	(18,951,391)	(1,417,837)	38,676,239	(39,004,860)	6,258,891	109,000,411	(76,633,692)	226,561,537	69,815,165
Fund balance, beginning of year	123,844,587	107,496,781	131,218,274	108,535,576	99,641,992	138,320,225	99,317,360	105,576,047	214,580,455	137,948,761	364,512,297
Restatements/adjustments	5,937,666	(2,596,439)	(3,733,299)	(7,477,740)							
Fund balance, end of year	114,100,373	131,216,283	108,533,584	99,639,999	138,318,231	99,315,365	105,576,051	214,578,458	137,946,763	364,510,298	434,327,462

Source: New Mexico Highway and Transportation Department, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Fiscal Years Ending June 30, 1990-2000.

Table 3

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Statement of Revenues, Expenditures and Changes in Fund Balance - State Road Fund

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Revenues:										
User and fuel taxes	234,696,295	222,413,065	241,821,455	253,460,067	262,335,477	268,614,734	273,899,048	289,413,646	300,088,770	305,018,803
Federal Highway Administration	115,952,807	114,200,881								
U.S. Dept. of Transportation			177,554,130	149,472,101	149,958,091	190,577,300	153,714,377	165,315,527	211,540,123	274,178,559
U.S. Dept. of Energy			1,160,942	32,594,040	8,049,075	4,236,989	5,264,305	16,601,943	25,091,788	17,109,919
U.S. Dept. of Labor										
U.S. Dept of Health and Human Services										
Federal Emergency Management Agency								474,922		
State General Fund					13,553,250	2,031,000	1,713,000			
Other revenues	4,826,973	5,908,808	2,589,623	4,051,007	2,518,184	3,121,564	4,634,985	3,335,925	4,292,973	1,777,247
Interest	3,510,173	2,145,538	1,358,073	1,129,468	1,580,465	1,792,198	4,388,938	5,423,442	7,724,714	8,236,571
Severance tax bond sales			5,209,300	4,952,517	5,335,073	700,165	2,557,718			
Total Revenues	358,986,248	344,668,292	429,693,523	445,659,200	443,329,615	471,073,948	446,170,371	480,565,405	548,738,366	606,321,099
Current Expenditures:										
Personal services	60,645,463	63,452,721	65,054,222	67,145,612	71,582,520	72,223,381	70,197,013	67,753,914	69,313,829	72,703,016
Employee benefits	26,854,595	27,665,748	26,820,253	27,581,337	28,298,192	29,980,359	27,466,892	25,176,689	25,802,127	26,813,580
Travel	7,603,226	9,720,199	11,383,246	12,656,190	11,994,885	11,652,153	11,521,057	11,204,273	10,542,185	11,433,022
Maintenance and repairs	2,434,809	2,612,515	3,003,577	2,888,312	3,038,665	3,198,930	3,461,070	4,043,783	4,378,216	5,480,687
Supplies	7,996,990	17,976,322	25,252,891	23,197,007	25,940,095	25,643,723	27,655,476	24,945,401	24,706,603	27,956,769
Contractual services	198,272,022	201,147,658	270,238,932	281,132,467	264,291,572	263,158,858	231,173,114	313,187,713	353,314,915	410,603,131
Operating costs	6,500,855	5,151,773	4,835,676	5,670,166	5,702,112	5,475,836	6,536,102	7,591,148	8,895,469	9,154,128
Other costs	7,301,881	2,540,349	202,689	-	107,291	16,430	11,692	106,906	557,697	217,006
Capital outlay	13,313,800	6,522,158	7,987,521	9,263,043	14,164,435	13,444,403	13,139,259	-	-	-
Out-Of-State travel	83,511	59,653	72,485	75,127	82,591	90,007	103,269	117,861	97,528	115,276
Bad debt expense	-	-	575,419	-	-	-	-	-	-	-
Total Current Expenditures	329,007,152	336,849,096	415,426,911	429,609,261	425,202,358	424,882,080	391,264,944	454,127,688	497,808,569	564,476,615
Capital outlay	-	-	-	-	-	-	-	14,213,364	14,005,109	16,764,587
Capital leases	-	-	-	-	-	-	-	2,797,730	894,696	1,357,909
Debt service - principal	-	-	-	-	-	-	-	363,804	664,661	987,553
Debt service - interest	-	-	-	-	-	-	-	91,237	125,367	124,833
Total Other Expenditures	-	-	-	-	-	-	-	17,466,135	15,689,833	19,234,882
Total Expenditures	329,007,152	336,849,096	415,426,911	429,609,261	425,202,358	424,882,080	391,264,944	471,593,823	513,298,402	583,711,497
Excess (deficiency) revenues over expenditures	29,979,096	7,819,196	14,266,612	16,049,939	18,127,257	46,191,868	54,905,427	8,971,582	35,439,964	22,609,602

Table 3

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Statement of Revenues, Expenditures and Changes in Fund Balance - State Road Fund (Continued)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Other Financing Sources (Uses):										
Operating transfers - other funds	-	-	(834,445)	(12,968,061)	(9,500,537)	(13,502,318)	(22,625,066)	(12,465,958)	(37,104,710)	(48,925,144)
Operating transfers - intraagency	(4,244,119)	-	-	-	-	-	-	-	-	-
Capital Projects Fund	1,894,500	-	-	-	-	-	-	-	-	-
Transfers to other state agencies	(10,662,808)	(11,255,600)	(14,574,088)	(18,606,444)	(17,553,473)	(17,255,846)	(17,428,253)	(19,538,258)	(4,847,687)	(5,857,999)
Severance tax bond sales	-	-	-	-	-	-	-	-	8,821,323	5,617,027
Severance tax bond reversions	-	-	-	-	-	-	-	(125,229)	-	-
State general fund reversion	-	(5,000,000)	-	-	-	-	-	-	275,000	87,056
Reversion from other state agencies	59,767	240,823	21,666	774,440	68,976	643,100	667,817	454,025	363,870	-
Reversion to other state agencies	-	-	-	(175,645)	-	-	-	-	-	-
Reversion to State General Fund	-	-	-	-	-	-	(213,539)	(72,474)	(12,899)	-
Highway debentures and loan proceeds	-	-	-	-	-	-	-	-	91,283,251	-
Capital lease proceeds	-	-	-	-	-	-	-	2,797,730	894,696	1,357,909
Net other financing sources (uses)	(12,952,660)	(16,014,777)	(15,386,867)	(30,975,710)	(26,985,034)	(30,115,064)	(39,599,041)	(28,950,164)	59,672,844	(47,721,151)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	17,949,836	(8,195,581)	(1,120,255)	(14,925,771)	(8,857,777)	16,076,804	15,306,386	(19,978,582)	95,112,808	(25,111,549)
Fund balance, beginning of year	97,595,035	106,342,850	94,413,970	85,815,975	70,890,204	62,032,427	78,109,231	93,415,617	73,437,035	168,549,843
Restatement of beginning fund balance	(6,605,582)	-	(7,477,740)	-	-	-	-	-	-	-
Beginning fund balance, as restated	90,989,453	-	-	-	-	-	-	-	-	-
Decrease in reserve for inventory	(2,596,439)	(3,733,299)	-	-	-	-	-	-	-	-
Fund balance, end of year	106,342,850	94,413,970	85,815,975	70,890,204	62,032,427	78,109,231	93,415,617	73,437,035	168,549,843	143,438,294

Source: New Mexico Highway and Transportation Department, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Fiscal Years Ending June 30, 1990-2000.

Table 4

NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Funds
Fiscal Year Ended June 30, 2000

	State Road Fund	Local Government Road Fund	Litter Control and Beautification Fund	Federal Planning & Development Fund	Traffic Safety Fund	State Aviation Fund	Motorcycle Training Fund	Driver Improvement Program Fund	DWI Prevention & Education Fund	Bond Project Fund (93 Bonds)	Bond Project Fund (WIPP Bonds)	Bond Project Fund (1998 & 1999 CHAT)	Bond Project Fund (2000 CHAT)	Total (Memorandum Only)
Revenues:														
User and fuel taxes	305,018,803	19,685,289	1,196,468	-	1,581,388	381,584	57,457	186,778	50,418	-	-	-	-	328,158,185
US Dept. of Transportation	274,178,559	-	-	3,102,986	2,330,541	83,459	-	-	-	-	-	-	-	279,695,545
US Dept. of Energy	17,109,919	-	-	-	-	-	-	-	-	-	-	-	-	17,109,919
US Dept. of Labor	-	-	-	12,820	-	-	-	-	-	-	-	-	-	12,820
US Dept. of Health and Human Services	-	-	-	42,275	-	-	-	-	-	-	-	-	-	42,275
Other Revenue	1,777,247	-	-	30,829	-	751,063	-	-	-	-	252	-	-	2,559,391
Interest	8,236,571	729,552	93,450	-	26,277	-	10,108	-	-	74,943	2,606,073	7,598,568	1,340,414	20,717,956
Total Revenue	606,321,099	20,414,841	1,289,918	3,188,910	3,940,206	1,216,106	67,565	186,778	50,418	74,943	2,606,325	7,598,568	1,340,414	648,296,091
Current Expenditures:														
Personal services	72,703,016	-	79,580	109,769	213,538	255,075	-	-	-	-	-	-	-	73,360,978
Employee benefits	26,813,580	-	23,205	31,646	64,444	77,190	-	-	-	-	-	-	-	27,010,065
Travel	11,433,022	-	2,110	5,595	6,697	28,062	-	2,414	-	-	-	-	-	11,477,900
Maintenance and repairs	5,480,687	-	-	157	-	34,862	-	-	-	-	-	-	-	5,515,706
Supplies	27,956,769	-	99,285	2,362	32,931	20,757	-	-	-	-	-	-	-	28,112,104
Contractual services	410,603,131	-	172,871	179,816	1,191,668	211,559	52,849	153,653	41,607	378,730	82,871,693	104,413,194	39,913,508	640,184,279
Operating costs	9,154,128	-	890,309	3,308,813	1,897,184	69,486	-	212	-	-	-	-	-	15,320,132
Other costs	217,006	21,655,688	-	-	-	1,057,047	-	-	-	-	-	-	-	22,929,741
Out-of-state travel	115,276	-	4,489	10,684	21,933	11,778	-	-	-	-	-	-	-	164,160
Total current expenditures	564,476,615	21,655,688	1,271,849	3,648,842	3,428,395	1,765,816	52,849	156,279	41,607	378,730	82,871,693	104,413,194	39,913,508	824,075,065
Capital outlay	16,764,587	-	-	11,611	138,346	5,794	-	-	-	-	-	-	-	16,920,338
Capital leases	1,357,909	-	-	-	-	-	-	-	-	-	-	-	-	1,357,909
Debt service - principal	987,553	-	-	-	-	-	-	-	-	-	-	-	-	987,553
Debt service - interest	124,833	-	-	-	-	-	-	-	-	-	-	-	-	124,833
Total expenditures	583,711,497	21,655,688	1,271,849	3,660,453	3,566,741	1,771,610	52,849	156,279	41,607	378,730	82,871,693	104,413,194	39,913,508	843,465,698
Excess (deficiency) of revenues over expenditures	22,609,602	(1,240,847)	18,069	(471,543)	373,465	(555,504)	14,716	30,499	8,811	(303,787)	(80,265,368)	(96,814,626)	(38,573,094)	(195,169,607)
Other financing sources (uses):														
Operating transfers - other funds	(48,925,144)	-	-	(161,063)	(335,409)	555,504	-	(35,282)	-	(74,627)	3,358,597	-	-	(45,617,424)
Transfers to other state agencies	(5,857,999)	-	-	-	-	-	-	-	-	-	-	-	-	(5,857,999)
Severance tax bond sales, net	5,617,027	-	-	-	-	-	-	-	-	-	-	-	-	5,617,027
Reversion from other governmental agencies	67,056	31,517	-	-	-	-	-	-	-	-	-	-	-	118,573
Highway debentures proceeds	-	-	-	-	-	-	-	-	-	-	-	101,952,999	207,415,687	309,368,686
Capital lease proceeds	1,357,909	-	-	-	-	-	-	-	-	-	-	-	-	1,357,909
Net other financing sources (uses)	(47,721,151)	31,517	-	(161,063)	(335,409)	555,504	-	(35,282)	-	(74,627)	3,358,597	101,952,999	207,415,687	264,986,772
Excess (deficeincy) of revenues and other financing sources over expenditures and other financing uses	(25,111,549)	(1,209,330)	18,069	(632,606)	38,056	-	14,716	(4,783)	8,811	(378,414)	(76,906,771)	5,138,373	168,842,593	69,817,165
Fund balance, beginning of year	168,549,843	13,760,415	1,368,162	632,606			165,928	4,783	64,817	889,456	92,256,412	86,819,875		364,512,297
Fund balance, end of year	143,438,294	12,551,085	1,386,231	-	38,056	-	180,644	-	73,628	511,042	15,349,641	91,958,248	168,842,593	434,329,462

Source: New Mexico Highway and Transportation Department, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Year Ended June 30, 2000.

Table 5

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Capital Projects

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Revenues:										
Total revenues	-	-	-	-	-	-	-	-	-	-
Current Expenditures:										
Maintenance and repairs	-	-	-	-	4,353	83,437	-	200,097	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-	-	-	9,275,000	5,622,241
Total current expenditures	-	-	-	-	4,353	83,437	-	200,097	9,275,000	5,622,241
Other expenditures:										
Captial outlay	-	-	-	720,850	2,148,510	3,410,929	606,245	2,387	271,354	443,859
Capital lease	-	-	-	-	-	-	-	-	-	-
Debt service - principal	-	-	-	-	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-	-	-	-	-
Total other expenditures	-	-	-	720,850	2,148,510	3,410,929	606,245	2,387	271,354	443,859
Total expenditures	-	-	-	720,850	2,152,863	3,494,366	606,245	202,484	9,546,354	6,066,100
Excess (deficiency) of revenues over expenditures	-	-	-	(720,850)	(2,152,863)	(3,494,366)	(606,245)	(202,484)	(9,546,354)	(6,066,100)
Other financing sources (uses):										
Operating transfers - other funds	-	-	-	4,172,006	2,967,128	247,911	13,278,590	(10,127)	6,495,800	2,035,562
Operating transfers - intraagency	-	-	-	-	-	-	-	-	-	-
Transfers to other state agencies	-	-	-	-	-	-	-	-	-	-
Transfer to GSD for Santa Teresa Project	-	-	-	-	-	-	(1,000,000)	-	-	-
Net other financing sources	-	-	-	4,172,006	2,967,128	247,911	12,278,590	(10,127)	6,495,800	2,035,562
Excess (deficiency) of revenues and other financing sources over expenditures and other financing use	-	-	-	3,451,156	814,265	(3,246,455)	11,672,345	(212,611)	(3,050,554)	(4,030,538)
Fund balance, beginning of year	-	-	-	-	3,451,156	4,265,421	1,018,966	12,691,311	12,478,700	9,428,146
Restatements/adjustments										
Fund balance, end of year	-	-	-	3,451,156	4,265,421	1,018,966	12,691,311	12,478,700	9,428,146	5,397,608

Source: New Mexico Highway and Transportation Department, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Year Ended June 30, 2000.

Table 6

NEW MEXICO HIGHWAY AND TRANSPORTATION DEPARTMENT

Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds

Fiscal Years Ending June 30	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Revenues:											
Interest	156,063	171,384	15,581	-	208,068	156,238	291,592	381,723	28,002	1,175,182	1,201,172
Total revenues	156,063	171,384	15,581	-	208,068	156,238	291,592	381,723	28,002	1,175,182	1,201,172
Total current expenditures	-	-	-	-	-	-	-	-	-	-	-
Other expenditures:											
Debt service - principal	4,085,000	4,305,000	4,555,000	-	4,270,000	4,380,000	4,515,000	4,675,000	4,845,000	20,380,000	25,003,100
Debt service - interest	610,230	382,452	130,956	-	1,021,290	1,880,320	1,713,880	3,600,934	4,969,181	12,582,702	23,181,039
Total other expenditures	4,695,230	4,887,452	4,685,956	-	5,291,290	6,260,320	6,228,880	8,275,934	9,814,181	32,962,702	48,184,139
Total expenditures	4,695,230	4,687,452	4,685,956	-	5,291,290	6,260,320	6,228,880	8,275,934	9,814,181	32,962,702	48,184,139
Excess (deficiency) of revenues over expenditures	(4,539,167)	(4,516,068)	(4,670,375)	-	(5,085,222)	(6,104,082)	(5,937,288)	(7,894,211)	(9,786,179)	(31,787,520)	(46,982,967)
Other financing sources (uses):											
Operating transfers - other funds	4,652,684	4,244,119	(15,581)	-	6,018,854	8,290,666	6,994,315	8,758,317	10,143,822	31,148,847	43,581,862
Highway debentures proceeds										8,468,561	
Net other financing sources	4,652,684	4,244,119	(15,581)	-	6,018,654	8,290,666	6,994,315	8,758,317	10,143,822	39,617,408	43,581,862
Excess (deficiency) revenues and other financing sources over expenditures/financing uses	113,517	(271,949)	(4,685,956)	-	933,632	2,186,584	1,057,027	864,106	357,643	7,829,888	(3,401,105)
Fund balance, beginning of year	4,844,388	4,957,905	4,685,956	-		933,632	3,120,216	4,177,243	5,041,349	5,398,992	13,228,880
Restatements/adjustments											
Fund balance, end of year	4,957,905	4,685,956	-	-	933,632	3,120,216	4,177,243	5,041,349	5,398,992	13,228,880	9,827,775

Source: New Mexico Highway and Transportation Department, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Fiscal Years Ending June 30, 1990-2000.

REVENUES: USER FEES AND FUEL TAXES

As is true elsewhere in the country, state motor fuel taxes and other road-related user fees and taxes have historically been the mainstay of state and local highway finance in New Mexico. Table 7 below provides detail on the relative importance of the different fuel taxes and other user fees for FY 1999-2000, the last year for which we have audited information. Note that gasoline and special fuel taxes accounted for almost 50 percent of the total revenues to the State Road Fund from these State sources.

Table 7

STATE ROAD FUND USER AND FUEL TAXES

Fiscal Year Ending June 30, 2000

		% of Total
Gasoline Tax	112,790,911	37.0%
Special Fuel Tax	65,845,522	21.6%
Trip Tax	9,692,538	3.2%
Drivers' License Fees	4,483,911	1.5%
Vehicle Transaction Fees	1,191,884	0.4%
Vehicle Registration Fees	44,268,952	14.5%
Corporation Commission Fees	3,987,253	1.3%
Weight/Distance Tax	52,659,583	17.3%
Oversize/Overweight Permits	1,245,940	0.4%
Leased Vehicle Gross Receipts Tax	4,920,259	1.6%
Subtotal - pledged revenues	301,086,753	98.7%
Rubberized Asphalt - Vehicle Registration Fees	1,593,993	0.5%
Miscellaneous Fees	2,338,057	0.8%
	305,018,803	100.0%

Source: New Mexico Highway & Transportation Department Financial Statements and Other Financial Information, Year Ended June 30, 2000.

Appendix B describes each of the motor fuel taxes and includes information on current law regarding tax liability, allowable deductions, and so forth.

The New Mexico Taxation and Revenue Department (TRD) is responsible for collecting and disbursing most of New Mexico's various motor fuel taxes and other transportation user fees. Table 8 provides a 10 year history of these receipts and disbursements. The table includes figures for FY 01, but the FY 01 data for the special fuels tax are incomplete.

The legislative history affecting the revenues collected and their disposition is summarized in Exhibit 2.

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
GASOLINE TAX											
Receipts:											
Gasoline Tax	125,918,123	131,517,482	135,383,914	185,078,617	179,249,365	154,988,889	151,922,740	155,250,518	151,943,420	147,516,866	142,737,836
Petroleum Products Loading Fee	10,101,577	11,691,092	11,860,211	11,869,119	12,164,342	12,266,267	21,958,354	23,238,633	20,675,467	15,752,409	16,956,277
Penalty and Interest	55,696	656,912	136,571	119,693	95,337	833,495	368,328	72,923	139,990	28,863	30,059
Total Receipts	136,075,396	143,885,486	147,380,696	197,067,429	191,509,044	168,088,651	174,249,422	178,562,073	172,758,876	163,298,138	159,724,172
Less: Taxpayer Refunds	369,682	241,479	283,199	106,662	385,007	-	-	-	-	-	-
Gasoline Refunds (Revenue Acct)	-	-	-	-	-	880,173	367,856	178,495	147,533	349,082	276,661
PPL Refunds	-	-	-	-	-	-	713,648	230,186	202,476	238,784	91,551
Off-road refunds	307,114	219,760	182,770	269,474	310,431	280,316	229,639	192,491	172,370	153,783	101,760
Comp Tax Transfers	188,747	123,605	96,625	109,657	125,468	126,679	128,788	109,266	108,556	102,678	96,664
Less: Taxpayer Refunds	531,652	990,408	40,749	141,912	61,810	474,632	263,637	313,977	24,577	148,023	(5,385)
Total Less	1,397,195	1,575,252	603,343	627,705	882,516	1,761,800	1,703,568	1,024,415	655,512	992,350	561,251
Net Receipts	134,678,201	142,290,234	146,777,353	196,439,724	190,626,528	168,326,851	172,545,854	177,537,658	172,103,364	162,305,788	159,162,921
Disbursements:											
MFA Intercept/Ruidoso	-	-	-	-	12,397	139,115	139,486	137,490	155,245	321,903	226,861
State Road Fund	92,461,764	97,541,335	100,993,237	110,730,072	114,732,960	116,787,724	115,352,493	117,879,845	115,659,836	111,981,399	110,547,762
Counties and Municipalities	13,996,440	14,362,635	14,881,086	15,162,795	15,583,755	15,656,349	15,608,118	15,896,795	15,569,663	14,912,120	13,659,723
Public School Transportation	-	-	-	39,174,072	11,370,887	541,505	(483)	-	-	-	-
County Government Road Fund	7,779,281	8,086,332	8,278,640	8,437,063	8,670,142	8,813,692	8,720,061	8,901,838	8,734,035	8,455,224	7,707,582
Municipal Road Fund	7,779,281	8,086,332	8,278,640	8,437,063	8,670,142	8,813,692	8,720,061	8,901,838	8,734,035	8,455,224	7,707,582
Municipal Arterial Fund	1,941,562	2,024,848	2,066,284	2,100,340	2,158,611	2,202,839	2,179,019	2,225,460	2,183,402	2,113,808	1,926,895
Aviation Board	335,915	350,942	364,270	377,508	389,012	395,540	394,648	401,629	393,850	381,584	347,834
Motor Boat Fuel Tax Fund	174,256	182,889	189,072	189,483	194,615	198,851	196,717	200,910	197,113	190,830	173,956
Correct Previous Distributions	-	-	-	-	-	-	-	-	5,371	-	-
Petro Storage Cleanup Fund	157,872	-	-	-	-	-	-	-	-	-	-
Local Government Road Fund	-	-	-	-	16,709,578	6,627,955	5,944,897	6,131,167	6,409,875	6,655,974	6,368,968
Corrective Action Fund	10,051,832	11,654,920	11,728,123	11,831,397	12,134,431	6,149,590	15,290,837	16,860,685	14,060,940	8,857,722	10,495,757
Total Disbursements	134,678,203	142,290,233	146,777,352	196,439,793	190,626,530	166,326,852	172,545,854	177,537,657	172,103,365	162,305,786	159,162,920

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
SPECIAL FUELS TAX *											
Receipts:											
Special Fuel Temporary Permits	1,000,130	984,088	979,478	947,417	669,490	252,392	132,984	114,976	80,913	34,755	-
Special Fuel Port Tax	1,948,712	1,923,686	1,947,297	2,390,391	1,672,814	583,020	256,016	203,320	118,779	53,477	-
Special Combination Trip Permit	-	-	5,370	1,300	250	5,555	9,040	5,622	1,550	831	-
Special Fuel Annual Permits	733,259	772,411	833,869	-	-	-	-	-	-	-	-
Special Fuel Supplier Tax	-	-	17,107,976	44,934,754	47,561,060	48,936,639	52,334,759	56,197,488	64,460,901	70,559,327	55,167,869
Bulk Storage Permits	-	-	45,830	49,460	94,127	36,370	32,998	555,136	48,450	40,690	40,010
Inventory Tax	-	-	566,782	75,512	29	-	984	-	-	-	-
International Fuel Tax Agreement (IFTA)	-	-	-	-	931,834	8,403,731	10,230,978	12,261,036	9,363,475	7,022,607	-
NM TPs	-	-	-	-	144,775	808,246	1,296,118	1,313,723	1,759,710	1,319,782	-
Other state-direct	-	-	-	-	787,058	7,409,486	8,767,341	9,848,413	5,714,072	4,285,554	-
Other state - billings	-	-	-	-	-	185,999	187,519	1,098,900	1,889,694	1,417,270	-
User Tax (L)	33,136,959	32,688,454	28,622,263	12,176,348	10,350,065	2,398,138	722,975	1,157,656	1,000,567	431,236	-
Dealer Tax	3,380,702	3,532,629	3,234,203	63,284	11,976	-	-	-	-	-	-
Special Fuels Tax (Quarterly)	36,517,661	36,221,084	31,856,466	12,239,632	10,362,041	2,396,138	722,975	1,157,656	1,000,567	431,236	-
Dealer Permits	2,320	2,275	55	-	-	-	-	-	-	-	-
Liquified Petroleum Gas (LPG) Permit	237,734	223,407	217,050	157,300	158,100	54,065	52,141	-	-	36,950	-
Penalty and interest	517,553	386,655	407,104	291,017	210,310	144,080	123,392	22,865	30,488	21,863	25,310
User penalty & interest	509,824	378,119	394,952	269,869	197,276	142,130	116,570	6,310	22,190	8,959	-
Dealer penalty & interest	7,729	8,536	12,152	13,078	2,956	-	-	-	-	-	-
Supplier penalty & interest	-	-	-	8,069	10,078	1,950	6,717	16,520	8,270	12,904	25,310
Total Receipts	40,957,369	40,493,585	53,967,277	61,086,782	61,660,056	60,824,821	63,949,224	70,639,646	75,213,795	78,303,209	55,329,878
Less: User Overpurchase Refunds	-	-	-	273,042	768,296	205,677	65,687	908,141	240,511	80,160	771
Less: Tipper Refunds	-	-	52,229	138,187	56,176	15,555	2,976	-	-	-	-
Less: Other Refunds	-	-	33,365	438,740	381,169	167,463	693,606	-	46,730	64,078	84,817
Less: S/F Credits applied to W/D	-	-	1,198,133	4,532,586	3,442,412	324,442	147,381	80,075	30,137	12,309	-
Less: IFTA Refunds	-	-	-	-	-	665,146	177,049	-	-	-	-
Less: Refunds	16,087	46,146	-	-	-	-	-	-	-	-	-

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Plus: Payments on Returned Checks	-	-	726,426	121,432	55,365	53,721	46,500	-	-	-	-
Less: Returned Checks	42,334	(1,059)	670,317	119,052	140,621	195,963	135,938	-	-	-	58,632
Net Receipts	40,898,948	40,448,498	52,739,659	55,706,607	56,926,747	59,304,296	62,773,087	69,651,430	74,210,162	78,146,662	55,185,658
Disbursements:											
October SRF Makeup	-	-	-	-	(37,570)	-	-	-	-	-	-
Public School Fund	-	-	-	5,580,622	6,046,810	462,679	-	-	-	-	-
October GF Makeup	-	-	-	-	37,570	-	-	-	-	-	-
Error Suspense	-	-	(844,301)	140,205	704,097	-	-	-	-	-	-
Local Gov't Road Fund	-	-	-	-	-	5,860,003	6,702,232	7,431,327	7,952,321	8,079,764	6,112,713
Other State IFTA distributions	-	-	-	-	317,772	1,870,516	2,110,927	2,487,832	2,424,852	1,319,564	-
State Road Fund	40,782,310	40,448,500	53,583,962	49,985,780	49,858,068	51,111,100	53,959,929	59,732,271	63,832,989	64,943,837	49,073,717
Counties and Municipalities	-	-	-	-	-	-	-	-	-	-	-
Corrective Action Fund	116,637	-	-	-	-	-	-	-	-	-	-
Total Disbursements	40,898,947	40,448,500	52,739,661	55,706,607	56,926,747	59,304,298	62,773,088	69,651,430	74,210,162	74,343,165	55,186,430
MOTOR VEHICLE EXCISE TAX											
Receipts											
Total Receipts	50,668,503	51,515,782	59,054,315	69,771,836	72,633,962	75,474,792	77,947,137	81,142,241	87,051,072	96,692,323	97,646,752
Less: Refunds	41,884	52,483	39,087	251,027	163,891	198,209	94,014	164,440	82,747	78,117	103,108
Plus: Payments on Bad Checks	-	-	-	-	-	-	531,521	1,560,048	967,205	607,777	860,815
Less: Bad Checks	-	-	-	-	-	-	533,040	1,471,678	1,090,645	758,490	966,418
Net Receipts	50,626,619	51,463,299	59,015,228	69,520,809	72,470,071	75,276,583	77,851,604	81,066,171	86,844,885	96,463,493	97,438,041
Disbursements:											
State General fund	16,875,540	38,597,474	44,261,421	52,140,606	71,049,648	75,276,583	77,851,604	84,066,171	86,844,885	96,463,493	97,438,041
State Road Fund	21,094,425	-	-	-	-	-	-	-	-	-	-
Local Government Road Fund	12,656,655	12,865,825	14,753,807	17,380,202	1,420,424	-	-	-	-	-	-
Total Disbursements	50,626,620	51,463,299	59,015,228	69,520,808	72,470,072	75,276,583	77,851,604	84,066,171	86,844,885	96,463,493	97,438,041

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
USE (WEIGHT/DISTANCE) TAX											
Receipts:											
Use(Weight/Distance) Tax	31,773,494	32,278,770	32,643,706	31,042,312	34,679,205	39,360,865	40,952,930	44,727,610	49,075,517	50,762,457	50,490,452
Annual filing and Special Fees	1,110,978	1,167,824	1,258,707	2,318,352	2,716,817	2,755,331	3,046,756	3,004,458	3,465,201	3,637,483	341,544
Safety/Training Fee	783,394	851,864	842,421	900,625	1,030,184	973,496	14,945	-	-	-	-
Penalty and Interest	329,457	295,672	343,578	298,702	317,557	264,156	293,911	142,522	206,474	95,203	58,243
Total Receipts	33,997,323	34,594,130	35,088,413	34,559,991	38,743,763	43,353,848	44,308,542	47,874,591	52,747,192	54,495,143	50,890,235
Less: Refunds	5,007	6,206	19,041	86,955	164,401	295,784	129,525	271,467	77,121	177,709	39,184
Plus: Payment on Returned Checks	-	-	-	-	(90)	-	-	-	-	-	-
Plus: S/F Credits applied to W/D	-	-	1,198,133	4,532,586	3,442,412	324,442	147,371	-	-	1,449	-
Less: Returned Checks	-	-	-	-	-	-	-	-	-	-	-
Net Receipts	33,992,316	34,587,924	36,267,505	39,005,622	42,021,684	43,382,506	44,326,388	47,603,124	52,670,071	54,318,883	50,851,053
Disbursements:											
State Road Fund	33,208,922	33,736,061	33,490,146	39,335,838	41,695,597	42,409,010	44,311,442	47,603,123	52,670,071	54,317,435	50,851,053
October Makeup	-	-	791,960	(791,960)	-	-	-	-	-	-	-
Final Fix SRF Dist. (May, 1994)	-	-	1,142,978	(1,142,978)	-	-	-	-	-	-	-
General Fund	-	851,864	842,421	900,625	1,030,184	973,496	14,945	-	-	-	-
Error Suspense	-	-	-	704,097	(704,097)	-	-	-	-	-	-
Law Enforcement Fund	391,697	-	-	-	-	-	-	-	-	-	-
Emergency Response Fund	391,697	-	-	-	-	-	-	-	-	-	-
Total Disbursements	33,992,316	34,587,925	36,267,505	39,005,622	42,021,684	43,382,506	44,326,387	47,603,123	52,670,071	54,317,435	50,851,053

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
TRIP (MILEAGE) TAX											
Receipts:											
Total Receipts	5,208,161	5,281,124	5,404,107	5,158,489	5,254,504	6,012,231	7,094,721	9,049,873	9,656,394	9,726,679	7,730,991
Less: Refunds	926	1,003	-	106	23	-	-	-	-	-	-
Plus: Payments on Returned Checks	-	-	564	3,138	1,383	14,631	94	-	-	-	-
Less: Returned Checks	-	-	514	1,064	692	15,156	229	-	-	-	-
Net Receipts	5,207,235	5,280,121	5,404,157	5,160,457	5,255,172	6,011,706	7,094,586	9,049,873	9,656,394	9,726,679	7,730,991
Disbursements:											
State Road Fund	5,207,235	5,280,121	5,404,156	5,160,458	5,255,172	3,011,706	7,094,586	9,049,873	9,656,394	9,726,679	7,730,991
Total Disbursements	5,207,235	5,280,121	5,404,156	5,160,458	5,255,172	6,011,706	7,094,586	9,049,873	9,656,394	9,726,679	7,730,991
OVERSIZE AND OVERWIGHT PERMITS											
Receipts:											
Central Collection	668,156	607,205	722,888	499,355	955,935	1,079,860	1,137,398	1,185,860	1,255,220	1,130,123	1,211,920
Port Collected	323,055	311,245	248,135	308,427	262,878	267,260	264,872	195,470	171,268	120,087	107,414
Hazmat Permits	-	-	-	-	-	-	327,196	444,856	436,340	456,091	252,743
Total Receipts	991,211	918,450	971,023	1,107,782	1,218,813	1,347,120	1,729,465	1,826,186	1,862,828	1,706,282	1,572,077
Less: Refunds	725	750	300	720	30	83	-	-	-	-	-
Plus: Payment of Returned Checks	-	-	435	900	527	150	15	-	-	-	-
Less: Net Returned Checks	51	510	405	1,350	555	495	165	-	-	-	-
Net Receipts	990,435	917,190	970,753	1,106,612	1,218,755	1,346,692	1,729,315	1,826,186	1,862,828	1,706,282	1,572,077
Disbursements:											
State Road Fund	990,435	917,190	970,753	1,106,612	1,218,755	1,346,692	1,402,119	1,381,330	1,426,488	1,250,191	1,316,334
General Fund	-	-	-	-	-	-	327,196	444,856	436,340	456,091	252,743
Total Disbursements	990,435	917,190	970,753	1,106,612	1,218,755	1,346,692	1,729,315	1,826,186	1,862,828	1,706,282	1,569,077

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
MVD MISCELLANEOUS OTHER											
Receipts:											
Total Receipts	8,583,053	8,778,909	9,065,944	6,993,046	5,842,061	5,192,699	5,096,970	5,326,548	4,935,870	5,003,840	4,113,730
Less: Refunds	7,163	5,093	4,827	7,724	6,681	33,596	22,197	7,703	9,508	16,241	11,753
Net Receipts	8,575,890	8,773,816	9,061,117	6,985,322	5,835,380	5,159,103	5,074,773	5,318,845	4,926,362	4,987,599	4,101,977
Disbursements:											
State Road Fund	1,733,248	1,604,101	1,700,799	1,627,559	1,803,703	1,476,933	1,229,723	1,248,588	1,221,039	1,226,001	881,308
County Road Fund	437,076	398,805	422,175	403,781	441,256	354,853	365,889	375,550	448,081	368,876	265,025
Counties and Municipalities	291,798	266,248	281,850	269,570	294,588	236,905	244,272	250,772	299,145	246,267	176,934
Unknown	-	-	-	-	-	-	-	-	-	-	30,001
Municipal and Fee Agents	821,023	1,169,275	1,152,971	1,550,051	1,582,363	1,697,433	1,716,390	1,970,522	1,731,360	1,696,634	1,606,646
Highway Beautification Fund	546,404	561,181	588,972	1,010,242	1,082,367	1,122,197	1,163,751	1,212,991	1,003,580	1,199,418	829,228
Emergency Medical Services Fund	1,820,537	1,869,805	1,946,717	2,039,020	146,207	-	-	-	-	-	-
EMS General Fund	-	-	-	-	419,095	-	-	-	-	-	-
Veterans License Fund	-	-	-	22,078	20,791	19,813	18,939	12,628	17,730	15,671	15,780
Children's Trust Fund	-	-	-	5,700	16,761	14,059	13,475	14,108	14,133	28,349	25,723
College Disbursements	-	-	-	-	-	-	-	-	-	25,023	69,921
College and Veterans Disbursements	9,120	12,893	14,797	-	-	-	-	-	-	-	-
TRD - Vet, Fire, Antique, College & Temp	-	-	-	-	-	236,911	317,447	204,175	171,335	165,459	176,993
TRD Admin - Plate Reissue	2,799,020	2,891,507	2,952,838	57,321	28,249	-	-	-	-	-	-
TRD - Parental Resp. Surcharge	-	-	-	-	-	-	4,886	28,175	19,958	15,900	24,419
TRD - Handicapped & Driveout	-	-	-	-	-	-	-	1,386	-	-	-
TRD Admin Fund - MFRA	117,665	-	-	-	-	-	-	-	-	-	-
Total Disbursements	8,575,891	8,773,815	9,061,119	6,985,322	5,835,380	5,159,104	5,074,772	5,318,895	4,926,362	4,987,598	4,101,978

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
MVD PENALTIES ON RETURNED CHECKS											
Receipts:											
Total Receipts	7,275	13,435	11,910	16,060	16,765	36,220	17,639	69,475	6,534	6,484	5,870
Less: Refunds	-	-	-	-	-	-	-	-	-	-	-
Net Receipts	7,275	13,435	11,910	13,060	16,765	36,220	17,639	69,475	6,534	6,484	5,870
Disbursements:											
State General Fund	7,275	13,435	11,910	13,060	16,765	36,220	17,639	69,475	6,534	6,484	5,870
Total Disbursements	7,275	13,435	11,910	13,060	16,765	36,220	17,639	69,475	6,534	6,484	5,870
MOTOR VEHICLE PENALTY ASSESSMENT FEES											
Receipts:											
Penalty Assessment Misdemeanors	5,049,002	5,557,245	5,901,423	6,876,300	6,446,624	7,107,708	5,284,260	5,226,248	5,817,417	5,828,348	5,769,211
Local Government Corrections Fees	1,472,544	1,579,280	1,619,509	1,867,627	1,684,885	1,763,824	1,650,850	1,760,625	1,710,807	1,603,198	1,323,890
Reinstatement Fees	464,081	517,775	587,745	634,117	638,850	737,533	962,563	1,096,871	1,112,733	1,099,522	1,123,099
Traffic Safety Training Fee	393,996	472,320	484,946	559,543	504,842	529,488	494,922	605,209	511,881	513,138	499,522
Court Automation Fee	435,774	472,389	484,935	559,603	504,843	670,672	1,575,847	1,654,813	1,687,976	1,703,925	1,660,225
Judicial Education	-	-	-	177,977	168,323	176,356	169,007	177,039	170,660	170,309	168,319
Judicial Facilities Fee (Bern. Co. Jail)	-	-	-	-	-	-	-	-	1,306,508	1,826,563	2,020,041
Brain Injury	-	-	-	-	-	-	-	842,895	838,020	844,191	823,656
Magistrate/Municipal Courts	-	121	-	-	6,771	-	-	1,302	2,066	-	-
Interstate Violators Compact	-	556	-	-	-	-	-	-	-	-	-
Total Receipts	7,815,397	8,599,686	9,078,558	10,675,167	9,955,138	10,985,581	10,137,449	11,365,002	13,158,068	13,589,194	13,385,963
Less: Refunds	14,045	13,450	17,843	18,799	22,181	28,572	30,943	36,489	34,436	42,764	26,337
Net Receipts	7,801,352	8,586,236	9,060,715	10,656,368	9,932,957	10,957,009	10,106,506	11,328,513	13,123,632	13,546,430	13,359,626
Disbursements:											
State General fund	5,040,723	5,549,415	5,891,166	6,865,721	6,434,044	7,089,835	5,268,975	5,205,019	5,797,682	5,801,215	5,752,641
Local Gov't Correction Fund	1,470,201	1,577,010	1,616,954	1,864,902	1,681,371	1,759,324	1,646,200	1,754,664	1,705,819	1,597,365	1,320,400
State Road Fund	461,481	515,775	583,845	630,342	635,200	734,783	961,113	1,095,046	1,111,483	1,098,047	1,121,659

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Traffic Safety Training Fee	393,873	471,639	484,583	558,724	503,813	528,138	493,527	523,828	510,315	511,389	498,481
Court Automation Fund	435,074	471,720	484,167	558,781	503,730	669,322	1,570,862	1,729,285	1,681,551	1,697,935	1,656,775
Judicial Education Fund	-	-	-	177,898	168,028	175,607	165,829	176,474	170,188	169,725	165,972
Judicial Facilities Fee (Bern. Co. Jail)	-	-	-	-	-	-	-	-	1,306,508	1,826,563	2,020,041
Brain Injury	-	-	-	-	-	-	-	842,895	838,020	844,191	823,656
Local Courts	-	121	-	-	6,771	-	-	1,302	2,066	-	-
Interstate Violators compact	-	556	-	-	-	-	-	-	-	-	-
Total Disbursements	7,801,352	8,586,236	9,060,715	10,658,362	9,934,952	10,959,005	10,108,503	11,330,511	13,125,631	13,548,430	13,359,626
VEHICLE REGISTRATION FEES											
Receipts:											
Caravan Tax	133,257	125,033	168,833	270,280	323,498	349,248	408,674	442,005	507,753	450,356	869,587
Heavy Truck Reg. Fees (in-state)	1,240,391	676,824	740,803	767,712	824,774	836,356	856,038	821,373	813,670	401,495	940,574
International Registration Plan (I.R.P)											
Receipts (in-state)	476,687	783,635	929,639	2,564,647	2,769,830	3,082,681	3,364,322	3,732,335	4,543,338	6,886,203	3,861,814
I.R.P. Receipts from Other States	1,186,346	1,825,943	1,710,994	1,497,648	1,624,492	1,883,439	2,144,129	2,360,774	2,639,274	4,570,351	2,877,604
Heavy Truck NM I.R.P. to NM	-	-	-	1,066,999	1,145,338	1,199,242	1,220,193	1,371,560	1,904,064	2,315,853	984,209
Heavy Truck, Outgoing Other States	2,236,714	2,708,747	2,947,535	2,729,992	2,839,471	2,863,113	2,980,498	3,699,973	3,839,027	3,861,713	4,475,475
Vehicle Registration Fees	44,353,988	45,063,156	46,819,178	48,591,885	50,391,185	51,820,826	52,657,053	54,566,266	57,107,079	57,940,908	54,718,447
Tire Recycling Fee	-	-	-	-	1,483,029	1,599,708	1,803,879	1,572,652	1,552,413	1,455,069	1,411,300
Late Registration Fees	795,977	744,588	823,710	845,655	1,027,398	855,830	950,018	1,021,735	1,092,494	1,083,696	1,042,677
Total Receipts	50,423,360	51,927,926	54,140,690	55,770,171	59,659,186	61,407,762	63,020,482	65,856,340	69,455,775	72,079,439	67,319,874
Less: Refunds	81,506	78,980	73,972	121,897	352,674	192,177	104,028	126,072	77,497	127,431	65,949
Plus: Payment on Returned Checks	-	-	391,231	383,483	266,477	242,819	129,758	-	-	-	-
Less: Net Returned Checks	78,485	80,213	454,199	434,231	367,448	380,642	187,578	-	-	-	-
Net Receipts	50,263,369	51,768,733	54,003,750	55,597,526	59,205,541	61,077,762	62,858,634	65,730,268	69,378,278	71,952,008	67,253,925
Disbursements:											
I.R.P. disbursed to Other States	2,236,714	2,708,747	2,947,535	2,729,992	2,839,471	2,863,113	2,980,498	3,699,973	3,839,027	3,861,448	3,268,392
State Road Fund	31,898,799	32,602,864	33,932,032	35,137,497	36,478,541	37,630,449	38,582,649	40,161,743	42,537,010	44,302,315	41,600,254

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Rubberized Asphalt Fund	-	-	-	-	667,363	719,869	811,745	707,694	698,586	-	-
Highway Infrastructure Fund	-	-	-	-	-	-	-	-	-	1,455,069	1,411,300
County Road Fund	9,618,393	9,830,689	10,231,471	10,594,953	10,999,315	11,346,648	11,633,764	12,109,905	12,826,116	13,358,405	12,543,657
Counties and Municipalities	6,421,370	6,563,102	6,830,669	7,073,335	7,343,293	7,575,177	7,766,859	8,084,738	8,562,890	8,918,254	8,374,317
Tire Recycling Fund	-	-	-	-	815,666	879,840	992,133	884,959	853,827	-	-
Motorcycle Training Fund	64,772	63,050	62,044	61,750	61,892	62,666	90,985	64,244	60,822	56,582	56,004
Net Change To Suspend Fund Balance	23,321	282	-	-	-	-	-	37,013	-	-	-
Total Disbursements	50,263,369	51,768,734	54,003,751	55,599,521	59,207,536	61,079,758	62,860,630	65,732,267	69,380,277	71,954,073	67,255,925
VEHICLE TRANSACTION FEES											
Receipts:											
Total Receipts	1,559,205	1,623,255	1,725,889	1,916,211	1,976,895	2,029,860	2,044,601	2,125,013	2,485,191	2,356,450	2,222,335
Less: Refunds	-	150	38	-	25	199	53	687	1,372	18	-
Net Receipts	1,559,205	1,623,105	1,725,851	1,916,211	1,976,870	2,029,661	2,044,548	2,124,326	2,483,819	2,356,432	2,222,335
Disbursements:											
State Road Fund	779,603	811,553	862,926	958,105	988,435	11,014,831	1,022,274	1,062,163	1,241,909	1,178,216	1,111,168
County Road Fund	779,603	811,553	862,926	958,105	988,435	11,014,831	1,022,274	1,062,163	1,241,909	1,178,216	1,111,167
Total Disbursements	1,559,206	1,623,106	1,725,852	1,916,210	1,976,870	22,029,662	2,044,548	2,124,326	2,483,818	2,356,432	2,222,335
DRIVERS LICENSE FEES											
Receipts:											
Limited License											46,751
Total Receipts	4,471,202	4,957,805	4,654,300	5,716,563	5,759,508	6,221,674	6,675,690	7,434,660	7,431,877	9,178,368	8,894,456
Less: Refunds	5,552	3,860	6,705	2,901	10,141	7,712	5,655	3,204	3,151	1,237	577
Net Receipts	4,465,650	4,953,945	4,647,595	5,713,662	5,749,367	6,213,962	6,670,035	7,431,456	7,428,726	9,177,131	8,893,879
Disbursements:											
Local Gov't Road Fund	-	-	-	-	-	1,041,853	1,072,680	1,104,492	895,161	1,098,364	1,056,733
State General Fund	215,002	1,002,040	951,207	937,840	1,035,903	-	-	-	-	-	-
State Road Fund	3,130,624	3,656,014	3,422,836	3,372,088	3,267,416	3,637,932	3,496,764	3,455,543	3,675,009	4,484,325	4,361,205
County Road Fund	112,559	165,668	155,726	160,288	154,527	171,015	153,124	160,691	148,665	196,736	191,704
Counties and Municipalities	75,146	110,602	103,965	107,010	103,164	114,172	102,228	107,279	99,251	131,344	127,984

Table 8

RECEIPTS AND DISBURSEMENTS FOR TRANSPORTATION-RELATED REVENUE SOURCES COLLECTED BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT (CONTINUED)

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Municipal and Fee Agents	4,895	-	-	-	-	-	-	-	-	-	-
TRD Admin (EDL Enhancement)	-	-	-	-	-	-	568,016	1,346,214	1,356,808	1,679,503	1,636,958
DWI Prevention & Education Fund	24,885	19,620	13,860	25,920	41,490	47,745	46,952	42,705	46,843	50,419	46,752
DWI Admin Off. Dist. Attorneys Fund	541,524	-	-	-	-	-	-	-	-	-	-
DWI Admin Hearing Fee	-	-	-	47,475	94,175	96,175	100,711	109,839	94,835	110,541	127,330
DOPE - Driver Training Fee	-	-	-	1,063,040	1,052,692	1,105,070	1,129,560	1,104,694	1,112,153	1,427,900	1,345,163
DWI Reinstatement Fund	361,016	-	-	-	-	-	-	-	-	-	50
Total Disbursements	4,465,651	4,953,944	4,647,594	5,715,655	5,751,362	6,215,958	6,672,032	7,433,455	7,430,724	9,179,132	8,895,880
Miscellaneous CRS Taxes											
Receipts:											
Governmental Gross Receipts Tax (GGRT)	-	12,232,609	12,347,180	12,511,874	13,530,014	16,059,455	16,378,444	16,859,875	18,594,143	19,372,893	20,997,555
Non-Taxable Transaction Certificate (NTTC) Fee	-	3,124,670	672,950	436,011	-	-	-	-	-	-	-
Leased Vehicle Gross Receipts Tax (LVGR	-	2,533,907	4,024,289	4,396,341	5,082,221	5,177,758	5,443,722	5,580,202	5,528,291	6,128,131	6,413,417
Leased Vehicle Surcharge	-	-	-	5,048,413	6,563,560	5,882,469	6,050,982	6,059,324	5,892,113	6,302,503	6,352,396
Net Receipts	-	17,891,186	17,044,418	22,392,640	25,175,795	27,119,682	27,873,148	28,499,401	30,014,548	31,803,527	33,763,368
Disbursements:											
State General Fund - GGRT	-	12,232,609	12,347,180	12,511,874	-	-	-	-	-	-	-
- NTTC	-	3,124,670	672,950	436,011	-	-	-	-	-	-	-
State General Fund - LVGRT	-	844,636	1,341,430	1,465,447	1,694,074	1,725,919	1,814,574	1,860,067	1,685,273	-	-
State General Fund - LV Surcharge	-	-	-	5,048,413	6,563,560	5,882,469	6,050,982	6,059,324	5,892,113	6,302,503	6,352,396
Youth Conservation Corp	-	-	-	-	1,353,001	1,605,945	1,637,844	1,685,987	1,859,414	1,937,289	2,099,756
State Park & Rec. Cap. Improv.	-	-	-	-	2,029,502	2,408,918	2,456,767	2,528,981	2,789,121	2,905,934	3,149,633
NM Finance Authority	-	-	-	-	10,147,510	12,044,591	12,283,833	12,644,906	13,945,607	14,529,670	15,748,166
State Road Fund (LVGRT)	-	1,055,794	1,676,787	1,831,809	2,117,592	2,157,399	2,268,217	2,325,084	2,106,591	-	-
Highway Infrastructure Fund	-								749,083	4,596,099	4,810,063
Local Government Road Fund (LVGRT)	-	633,477	1,006,072	1,099,085	1,270,555	1,294,439	1,360,930	1,395,050	1,382,073	1,532,033	1,603,354
Total Disbursements	-	17,891,186	17,044,418	22,392,640	25,175,795	27,119,682	27,873,148	28,499,401	30,409,276	31,803,527	33,763,368

* Special Fuels tax data for FY01 reflect only a partial year. Entries since FY 98 may be incomplete.

Source: New Mexico Taxation and Revenue Department, Annual Reports, RS-1 Revenue Reports, Internal Files.

Exhibit 2

TRANSPORTATION REVENUE SOURCES: LEGISLATIVE CHANGES 1990-2001

Gasoline Tax

1989 - Gasoline tax raised by 2 cents from 14.2 cents per gallon to 16.2 cents. One cent of the increase goes to the Municipal Road Fund, 0.25 cents to the municipal arterial program and the rest to the State Road Fund. Municipalities authorized to monitor service station sales of gasoline.

1990 - Surcharge of 0.2 cents per gallon repealed. A Petroleum Products Loading Fee equivalent to 1 cent per gallon imposed for the Corrective Action Fund, to be used for clean up of contamination from leaking storage tanks. Local administration of municipal and county gasoline tax (so far, not implemented) required.

1991 - 2% shrinkage allowance phased out over a 2 year period, and distribution formulae adjusted to funnel the increased tax revenues into the Road Fund.

1993 - Tax rate increased by 6 cents per gallon to 22 cents per gallon. Most additional revenues earmarked for transportation of public school children.

1994 - Tax rate decreased by 2 cents to 20 cents per gallon for 3 years, 7/1/94 through 6/30/97. The state swapped 2 cents of the remaining tax to the local government road fund in exchange for its 25% share of the MVET.

1995 - Tax rate reduced to 17 cents effective 7/1/95 and to 16 cents effective 7/1/2003 or sooner if related bonds are paid off.

1996 - Petroleum products loading fee increases from $80 per 8,000 gallon load to $150 (or 1 cent to 1.875 cents per gallon). Depending on balances in the Corrective Action Fund (used to clean up contamination sites), the fee may drop to as low as $40 per load (0.5 cent per gallon).

1997 - Guidelines specified defining conditions of receipt, and tax liability for, gasoline and special fuels, including imported fuels. Deduction for exports of gasoline and special fuel is narrowed. New deduction is granted for sales of gasoline to an Indian nation, tribe, or pueblo for its exclusive use.

1998 - Fuel used off-road is currently subject to the gross receipts tax or compensating tax instead of fuel tax; fuel tax is often paid first and then refunded later. Tightening of enforcement of gasoline and special fuel excise taxes resulted in refund delays for some downstream dealers and customers. This act allows a deduction under the gasoline and special fuel excise taxes for fuel dyed in accordance with applicable state or federal regulations.

1999 - Chapter 190 (SB-588) the basis for imposition of the gasoline tax changes. Gasoline is "received" in-state when loaded at the rack into delivery equipment; the tax is owed either by the rack operator or the distributor buying the gasoline. Gasoline imported by truck is received by the owner when it crosses the border into New Mexico. Gasoline received within the exterior boundaries of a tribal reservation or pueblo grant by an exempt person is again received by the owner when it leaves the reservation or pueblo grant in any way other than in the fuel-supply tank of a motor vehicle.

Also, two new deductions are created. Gasoline received by a registered Indian tribal distributor (a distributor registered with TRD and a part or member of, and approved by, the Indian nation, tribe, or pueblo on whose territory the distributor operates) and sold at retail on the tribal territory if the Indian nation, tribe or or pueblo has imposed its own gasoline tax. If the tribal tax is lower than the state tax, the deduction is reduced proportionately. The second deduction is meant to allow Nambe and Santo Domingo to sell up to 2,500,000 gallons each per month on a wholesale basis anywhere in the state.

2000 - Chapter 50 (SB-109) Persons other than registered Indian tribal distributors may deduct gasoline sold at retail on Indian reservations or pueblo grants if the Indian nation, tribe or pueblo has an equivalent tax on such sales, and the person is in compliance with the tax.

2001 - Chapter 171 (HB 210) Gasoline Distribution to Local Governments, Effective 6/15/2001. Allows municipalities and counties whose populations are under 3,000 or 4,000, respectively, to use this distribution for general purposes.

Exhibit 2

Special Fuels Tax

1992 - Special Fuels Supplier Tax Act (1992): the existing special fuels tax is replaced by a new tax "at the pump" but the tax rate is unchanged. Unlike the current system, special fuel taxes will be paid at the distributor/wholesaler level on a monthly basis; thus the tax will be embedded in the retail price. Interstate truckers will continue to submit quarterly reports on fuel usage; excess tax paid will be credited against weight-distance tax obligations. As a transition measure, a one-time 16 cent per gallon tax is imposed on in-state special fuel inventories on 12/31/92.

1995 - Alternative fuels – liquefied petroleum gas, compressed natural gas, liquefied natural gas – will be taxed under the Alternative Fuels Tax Act instead of under the gasoline or special fuels taxes. The tax on alternative fuels is phased in, starting at 3 cents per gallon and reaching 12 cents per gallon on 1/1/2002. In lieu of the tax, operators of vehicles weighing 54,000 pounds or less may elect to pay an annual fee when the vehicle is registered. The fee varies with the weight of the vehicle, and is also phased in.

1997 - Guidelines specified defining conditions of receipt, and tax liability for, gasoline and special fuels, including imported fuels. Deduction for exports of gasoline and special fuel is narrowed. New deduction is granted for sales of gasoline to an Indian nation, tribe, or pueblo for its exclusive use. Definition of "alternative fuel" is expanded to include "A55 – an emulsion consisting of water and a hydrocarbon fuel.

1998 - Tightening of enforcement of gasoline and special fuel excise taxes resulted in refund delays for some downstream dealers and customers. This act allows a deduction under the gasoline and special fuel excise taxes for fuel dyed in accordance with applicable state or federal regulations. Thus, dyed fuel will be subject to gross receipts tax from the beginning, eliminating the need for refunds.

Motor Vehicle Excise Tax (MVET)

1990 - Exemption for out-of-state military repealed. Gross receipts tax imposed on sales of vehicles not subject to MVET (tax reduction measure).

1991 - Allocation of MVET revenues changed to 3/4 to General Fund; 1/4 to Local Government Road Fund. Leased Vehicle Gross Receipts Tax (LVGRT) imposed in lieu of vehicle excise tax on rental cars which are leased for 6 months or less and which are part of 5 or more vehicles. Distribution of LVGRT 5/12 to State Road Fund, 3/12 to Local Government Road Fund, 4/12 to General Fund.

1993 - LVGRT: taxpayers may claim MVET rebates (when the vehicle is part of a rental fleet) within a one-year window. New $2 per day surcharge on car rentals.

1994 - For short-term leased vehicles, the comparison of LVGRT paid with MVET paid can be performed on fleet-by-fleet basis rather than vehicle-by-vehicle. For long-term leased vehicles, no MVET tax will be due, regardless of the amount of GRT due on leasing receipts. Distribution of MVET proceeds is modified with the General Fund now receiving 100% in exchange for dedicating 2 cents per gallon of the gasoline tax to the Local Governments Road Fund.

Weight-Distance Tax

1991 - De-earmarked the safety/training fee imposed pursuant to Laws 1988, Ch. 14. Distributions of the fee are now distributed to the General Fund.

1996 - Repeal safety-training fee in favor of hazardous waste permit. Hazardous waste permit discussed under "Oversize/Overweight permits".

1999 - Retroactively applicable to the first quarter 1999 return, the due date of the weight-distance tax is moved from the 25th of the month following the end of the quarter to the last day of the month.

Trip Tax (Mileage Tax)

1994 - Means of prepaying the trip tax are provided to speed clearance through ports of entry.

Vehicle Height and Weight Limits; Oversize/Overweight Permits (OS/OW) and Hazardous Waste Hauling Permits

1990 - Authorized manufactured home movers to self-issue OS/OW permits for a cost of $15 per permit.

1991 - OS/OW permit amended: increased axle weights permitted for liquid hauling tank vehicles not to exceed 25% of the allowed loading. Annual permit is $120, single trip $35.

1996 - Hazardous Materials Transportation Act: anyone transporting hazardous materials (with some exceptions) must get a permit from TRD. It costs $250 annually and covers all vehicles of the carrier. Single trip permits are also available for $75.

Motor Vehicle Registration Fees; Motor Vehicle Code

Exhibit 2

1991 - Motor Vehicle Code Penalty Assessments Ammended (1991). Penalty increased for illegally parking in a handicapped space. Penality removed for operating a motorcycle without a helmet and for not securing children in seatbelts. Speeding violations are increased. New penalty imposed for violation of the open container law.

1993 - Penalty Assessments (1993). A new $1 judicial education fee (to fund training of judges and staffs) will be imposed on all convictions, including Motor Vehicle Code violations. Penalty doubled for illegally parking in a handicapped space.

1994 - Tire Recycling Act (Chapter 117) increased motor vehicle registration fees in virtually all categories (including prorate heavy trucks) with the additional proceeds to fund a statewide tire recycling and rubberized asphalt program. Additional fees ranged from $.50 per year for motorcycles to $1 per year for cars and light trucks to $6.50 per year for heavy trucks over 48,000 pounds. Purpose primarily is to create a tire recycling industry in New Mexico producing rubberized asphalt and retreaded tires. By 10/1/95, scrap tires may be disposed of only at licensed tire recycling facilties. Tire dumps are to be eliminated.

1999 - Distributions: a technical clean-up bill makes Section 66-6-23 into what it has always purported but failed to be: a complete list of all distributions required. Resident owners of utility trailer weighing less than 6,001 pounds may opt to register the trailers permanently for a fee of $25 plus $5 for each 100 pounds of weight after the first 500 pounds. This is five times the annual fee. Retirees from the National Guard or Reserve are now eligible to apply for the special plates for armed forces veterans. These plates cost an extra $15, part of which goes for services to veterans in rural areas. Also, 100% disabled veterans qualify for special registration plates for two vehicles instead of just one.

2000 - The penalty assessment misdemeanor for littering jumps from $100 to $300. On the other hand, a law making littering a crime is repealed.
Metro Court Revenues: This reroutes $10 of the add-on penalties for traffic violations in Bernalillo County mainly to pay for a parking structure adjacent to the new Metropolitan Court Building in Bernalillo County. Volunteer firefighters now qualify for their own special registration plates, available with the signed application and an extra $25 fee.

2001 - Increases to 34.57% and makes permanent the cut of the liquor excise tax going to the DWI Grant Fund.
Liquid-hauling Tank Vehicle Permits: This restores and makes permanent what had been a temporary authority (expired on 7/1/99) for the Motor Transportation Division to issue permits to liquid-hauling tank vehicles to allow them to run as much as 25% overweight. The permits cost $35 for a single trip and $120 for an annual permit. The permits are not valid on interstates.
Continued Collection of Court Automation Fee: This repeals the 7/1/01 sunset on the $6 court automation fee. It will continue indefinitely.
Additional Registration Fee: All vehicles will be charged an additional $2 for each 12-month registration period. Proceeds go to the TRD for enforcement of the Mandatory Financial Responsibility Act and maintaining multilingual testing for regular driver's licenses.
For an additional $7, a veteran who owns a motorcycle may apply for a special registration plate. The extra fee is intended to pay for plate manufacture.

Sources of Notes:

1990-1998, "Statutory History of New Mexico's Taxes: Selected Taxes -- 1909 to 1998 (Through Action of 1998 Special Session)"
Tax Research and Statistics Office, New Mexico Taxation and Revenue Department.
(Actions for the years 1990-1998 are effective for the following year from the year stated unless otherwise noted.)

1999-2001, "New Mexico Bulletin," Annual Legislative Summaries, New Mexico Taxation and Revenue Department.
(Actions are effective for the year stated, either 1999, 2000, or 2001.)

Table 9 provides over a decade of history on tax rate changes for the motor fuel taxes.

Table 9

MOTOR FUEL TAX RATES, FY 90 TO PRESENT
All Rates in Dollars per Gallon

Time Period	Gasoline Tax Rate	Ethanol Blended Fuel Rate	Petroleum Products Loading Fee (1)	Shrinkage Allowance	Special Fuels Tax Rate	Port Tax per Mile (3)
7/1/89 to 6/30/90	0.162	.132 (.03 ded)		2%	0.162	0.04
7/1/90 to 6/30/91	0.160	0.160	0.01	1%	0.16	0.04
7/1/91 to 6/30/92	0.160	0.160	0.01	0%	0.16	0.04
7/1/92 to 6/30/93	0.160	0.160	0.01	0%	0.16	0.04
7/1/93 to 6/30/94	0.220	0.220	0.01	0%	0.18	0.05
7/1/94 to 6/30/95	0.200	0.200	0.01	0%	0.18	0.05
7/1/95 to 6/30/96	0.170	0.170	0.01	0%	0.18	0.05
7/1/96 to 6/30/03	0.170	0.170	0.01875 *	0%	0.18	0.05
7/1/2003 -	0.160	0.160	0.01875 *	0%	0.18	0.05

Notes:
1) Petroleum Products Loading Fee is imposed in statute at $80 per 8,000 gallons. This is equivalent to one cent per gallon.
2) Ethanol Blended Fuel deduction ended in July, 1990, one year early pursuant to adverse decision in Giant v. NM. The deduction was scheduled for 2 cents per gallon for 7/1/90 through 6/30/91.
3) Port tax has been traditionally calculated by assuming trip carriers achieve 4.0 mpg. The port tax rate per mile is the nominal tax rate divided by the assumed MPG, then rounded up to the higher even cent per mile.
* Petroleum Products Loading Fee is 1.875 cents per gallon. Depending on balances in the Corrective Action Fund (used to clean up contamination sites), the fee may drop to as low as $40 per load (0.5 cent per gallon).

Appendix C from the FHWA homepage provides state-by-state comparisons of motor fuel taxes.

Figures 1, 2, and 3 illustrate how the different motor fuel taxes are currently distributed

NM 17 Cent Gasoline Tax Distribution: Where the $$ Goes

Figure 1

Sources: USDOT -Federal Highway Administration and NM Legislative Statues



.02 ¢ (.13%)



Construction, improve., and furnishing of boating & related facilities.

.04 ¢ (.26%)



Construction & development of public airport facilities.

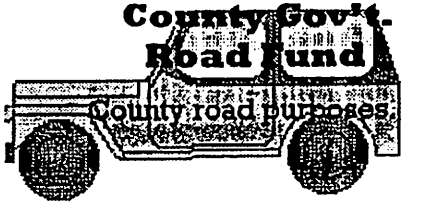
.24 ¢ (1.44%)



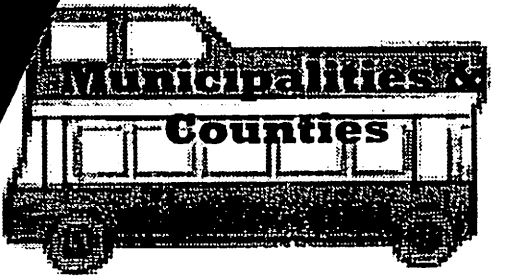
Construction and reconstruction of urban extensions of rural state highways, and other streets determined by the State Highway Dept.

.98 ¢ (5.76%) each



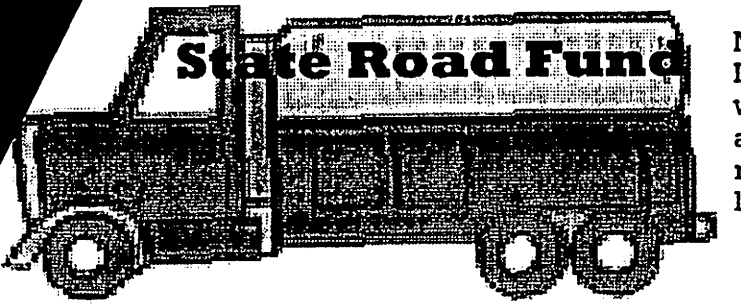


1.76 ¢ (10.38%)



90% to Municipalities for municipal general purposes unless otherwise pledged. 10% to Counties for county general purposes.

12.97¢ (76.27%)



Maintenance, construction, & Improvement of State highways, parks, and rec. roads, and matching Federal allotment under Federal-aid road laws.

Cent and percentage distribution

Figure 2

NM Petroleum Loading Fee: Distribution of Funds

Source: NM Legislative Statute 7-1-6.25

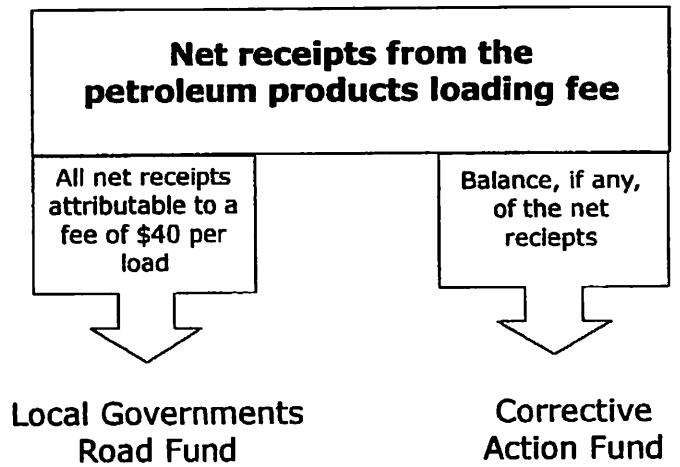
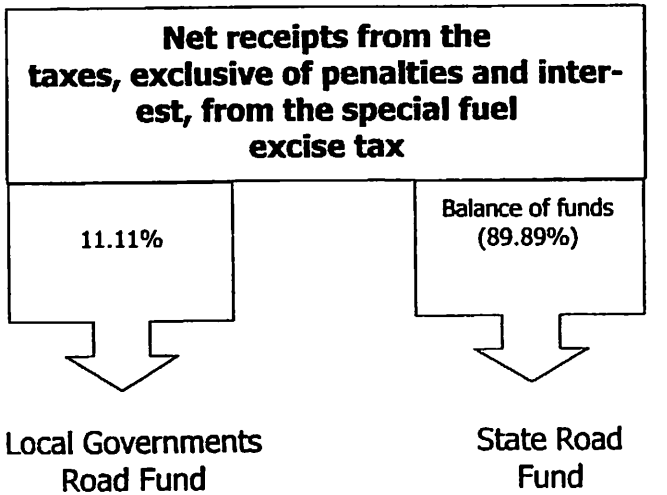


Figure 3

Special Fuels Supplier Tax Act: Distribution of Funds

Source: NM Legislative Statute 7-1-6.39



THE GASOLINE AND ETHANOL BLENDED MOTOR FUEL TAXES

The motor fuel taxes are called "unit" taxes because the tax is so many cents per unit, or, in this case, per gallon. This method of taxation contrasts with "ad valorem" taxes, where the tax is some percent of total expenditure/total receipts. The revenues from unit taxes will increase only if the total taxable volume of goods sold (purchased, delivered) increases. Gasoline tax revenues statewide are not growing; taxable gallons are down somewhat. This section explores the evidence available from TRD's monthly report, the Gasoline Acquisition Report. This report provides information on the activity of individual gasoline distributors. Paragraphs N, O and P of the statute dealing with confidentiality of tax returns and other information (Section 7-1-8 NMSA 1978) provide exceptions for certain information received from motor fuel distributors. The language authorizing the preparation of what is called the Gasoline Acquisition Report (GAR) is contained in paragraph N:

> with respect to the tax on gasoline imposed by the Gasoline Tax Act [Chapter 7, Article 13 NMSA 1978], the department shall make available for public inspection at monthly intervals a report covering the amount and gallonage of gasoline and ethanol blended fuels imported, exported, sold and used, including tax-exempt sales to the federal government reported or upon which the gasoline tax was paid and covering taxes received from each distributor in the state of New Mexico

The GAR presents figures for all those gasoline distributors reporting for the "report" month, which should be the month of acquisition. The report on gallonage and any taxes owed are due in the month following the acquisition month, and this is the month when the revenues are received by TRD. (Unfortunately, distributors do not always report in a timely manner and there may be amended returns.) Distributions to state funds are made the same month the revenues are recorded. Distributions to local governments will be made in the month following TRD receipt. (Although, under governmental accounting rules these revenues should be accrued by the recipient counties and municipalities, so audited figures for local governments will typically reflect the revenues for the same months as they are collected by TRD.)

The basic report that distributors are required to file is reproduced as Exhibit 4. The deductions tie to state statute. (See Appendix B on the gasoline tax.) Unfortunately, the GAR has not changed for decades despite changes in the law and in the forms which must be filed. (Indeed, the GAR columns refer to the numbered lines in an old tax form.) The GAR loses much of the detail provided in the basic report by lumping together different types of deductions.[1] The difficulties in

[1] According to TRD staff, deductions for exports (paragraph A) show up under GAR columns for "Direct Exports" and "Indirect Exports". Deductions for sales to the US government (B) or to Indian tribes/pueblos/nations (C) are reflected under the columns "Direct Sales to US Govt"

analyzing the data contained in the GAR are further compounded by errors made in filling out the forms. While there are instructions to filling out the form, there are complexities, and distributor categorization of gallons received/sold may not always be "correct" or consistent.

The rows in Tables 10 and 11 present data on the column totals from the GAR respectively for gasoline and for ethanol blended fuels. The figures presented are fiscal year totals, corresponding to acquisition months June through May. In terms of actual revenue from the State gasoline tax, the most important column in the GAR is that which records taxable gallons. We have set these figures off in bold. We have changed the order of the data from the columns and grouped the data from the columns of the report into sets of rows to facilitate comprehension. The notes at the bottom of the table indicate which entries from the forms should be included under which row heading.

We have also included a line at the bottom of the table in which we report the difference between the total deductions as they appear in the GAR and our calculated sum of the entries in the columns where the individual deductions should show up. The gap between the two has grown dramatically over the past few years. The increase relates to TRD's policy of allowing "indirect deductions." Some of these indirect deductions are associated with the subsequent export or sale to the federal government of gallons purchased from a distributor who has paid the tax. The distributor who purchases the gasoline and then either exports the gallons or delivers them to the federal government cannot deduct these gallons since they are not the originating distributor. The distributor who originally received the gallons, however, can request a "refunder credit". This "credit" will be reflected in the total deductions column but will not be included under "direct" nor under "indirect" exports/sales to US govt; i.e., the deduction will not be otherwise captured in the report. A second instance arises where the gasoline is received into the state by a distributor who plans to sell the gas at retail outlets off reservation but who sells the gas to a certified Indian distributor (Kiwa or Nambe) before purchasing it for sale off reservation.

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and "Indirect Sales to US Govt" but deductions allowed under paragraphs D (dyed gas), E (registered Indian distributors) and F (certified Indian distributors) are also included under "Direct Sales to US Govt."

Exhibit 4

MONTHLY REPORT FOR MONTH OF_____ . ____
DUE NO LATER THAN THE 25TH OF THE FOLLOWING MONTH.

____ Original
____ Amended

Please return report and remittance to:
New Mexico Taxation & Revenue Dept.
Special Tax Programs & Services
P>O> Box 25123
Santa Fe, NM 87504 (505) 827-0764

1.	Beginning Inventory	1.	
2.	Purchases (Line 16)	2.	
3.	Sales (Lines 9 & 22)	3.	
4.	Inventory Adjustment: Gain/(Loss)	4.	
5.	Ending Inventory	5.	
6.	Tax-included sales to retailers/consumers (GTX-15)	6.	
7.	Tax included sales to wholesalers/distributors (Sch E)	7.	
8.	Tax excluded sales (Sch P)..	8.	
9.	TOTAL SALES (Sum of lines 6, 7, 8)	9.	
10.	Gallons received at rack, produced or blended (Sch A)	10.	
11.	Gallons received when imported (Schedule B)	11.	
12.	Gallons received-transported off Indian land (Sch C)	12.	
13.	Total gallons received - Sum of lines 10 through 12	13.	
14.	Other acquired gallons purchased (Schedule D)	14.	
15.	Gallons purchased from a certified distributor (Sch D)..	15.	
16.	TOTAL PURCHASES (Sum of lines 13, 14, 15, must equal line 2)	16.	
17.	Gallons sold to US> Gov or Indian Tribes (Sch F & G)	17.	
18.	Gallons which were exported out of state (Sch H & I)	18.	
19.	Gallons dyed and sold for off-road use (Sch J & K)	19.	
20.	Gallons sold at retail on Indian Land (Sch L & M)	20.	
21.	Gallons sold by a certified distributor (Sch N & O)	21.	
22.	TOTAL DEDUCTIONS (Lines 17 through 21)	22.	
23.	Net taxable gallons - Line 13 less line 22	23.	
24.	Tax due @ .17 cents per gallon	24.	
25.	Penalty (2% of line 24 per month or partial month)	25.	
26.	Interest (Line 24 x .000411 x number of days late).	26.	
27.	TOTAL TAX, PENALTY AND INTEREST	27.	

I declare that I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete

Signature of Authorized Agent _____ Date _____ Phone Number _____

GTX15 rev 06/01

Table 10

FISCAL YEAR TOTALS FOR GASOLINE FROM THE GASOLINE ACQUISITION REPORTS

Revenue Months Tax Year Ending June 30	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Gallons Received	1,194,718,874	1,371,136,524	1,559,808,196	1,533,940,259	1,556,420,162	1,634,474,924	1,830,481,992	1,171,461,178	1,282,421,867	1,312,705,866
Total Deductions	510,796,610	620,041,982	708,734,962	721,568,907	734,636,257	829,511,775	1,017,667,710	342,208,189	482,054,306	566,634,137
% Shrinkage	7,438,841	682,990	684	-	-	-	-	-	-	-
Total Taxable Gallons	**676,483,423**	**750,411,552**	**851,072,570**	**812,371,352**	**821,783,905**	**804,963,149**	**812,814,282**	**829,252,989**	**800,367,561**	**746,071,729**
Inventory Loss/Gain	475,950	710,586	1,115,631	(35,985)	261,218	109,543	1,408,113	(522,869)	(1,579,672)	453,171
Direct Exports	492,771,967	598,026,066	685,615,277	697,968,830	711,245,978	622,750,076	731,573,091	230,744,919	234,137,052	234,395,988
Direct Sales to US Government	8,048,866	6,490,458	3,440,398	7,139,496	5,497,649	151,201,079	236,553,228	41,285,525	103,402,257	165,922,881
Indirect Exports	239,499	1,135,205	901,624	395,812	455,599	1,502,002	284,948	1,019,186	430,707	1,662
Indirect Sales to US Government	3,268,148	3,301,634	3,764,749	3,473,074	3,631,111	4,079,302	1,941,472	1,552,176	8,552,651	7,982,616
Calculated Deductions	504,328,480	608,953,363	693,722,048	708,977,212	720,830,337	779,532,459	970,352,739	274,601,806	346,522,667	408,303,147
Special Refunds	1,198,439	1,033,596	648,539	2,461,068	2,278,166	2,108,398	1,599,281	1,377,135	1,328,405	1,362,776
Regular Refunds	2,022,734	1,109,471	1,073,302	1,152,915	1,106,929	2,163,858	1,059,274	1,055,246	1,908,934	883,091
Other Tax Paid Sales	34,462,061	55,282,793	82,636,775	49,173,474	37,186,471	54,482,996	66,253,546	63,369,162	126,147,792	141,741,831
Tax Paid Sales Retailers and Consumers	658,960,030	710,626,621	787,000,115	779,694,444	802,228,846	805,931,230	794,694,014	830,975,441	820,314,438	771,191,995
Acquired & Delivered to Registrd Distribs	1,081,598,772	781,940,449	951,006,730	1,016,037,997	1,152,217,639	503,637,883	143,554,167	64,922,711	21,379,436	4,782,330
Tax Paid Aviation Gas	4,590,287	4,109,292	9,860,545	13,740,636	20,002,603	3,307,579	-	-	-	-
Tax Paid.17/.22 /.162 Gallon	$108,238,039	$120,065,367	$178,471,275	$163,961,536	$141,915,583	$136,847,082	$138,179,100	$140,973,236	$136,572,356	$129,446,062
Other Tax Paid	$1,381,833	$570,525	$609,867	-$849,435	$956,258	$924,954	$610,892	$337,168	-$705,935	$29,388
Diff Reported & Calculated Deductions	6,468,130	11,088,619	15,012,914	12,591,695	13,805,920	49,979,316	47,314,971	67,606,383	135,531,639	158,330,990

Definitions:
Total Gallons Received equals gallons received at rack, produced or blended, gallons received when imported and gallons received-transported off Indian land.
Deductions include gallons sold to US government or Indian Tribes, gallons exported out of state, gallons dyed and sold for off-road use, gallons sold at retail on Indian land, and gallons sold by a certified distributor.
Total Taxable Gallons should equal Total Gallons Received Less Total Deductions.
Direct Exports are gallons reported as exported out of state.
Direct Sales to US Government includes gallons sold to US Government or Indian Tribes as well al gallons sold a retail on Indian land and those sold by a certified distributor.
Indirect Exports are gallons reported as fuel received in a prior month but not exported this month.
Indirect Sales are gallons reported as fuel received in a prior month but sold to the US government, an Indian nation, or NATO this month.
Other Tax Paid Sales are gallons from certified distributors.
Tax Paid includes total tax due plus penalty and interest.
Other taxes paid include penalty and interest payments. These payments are included in Tax Paid.

Source: Gasoline Acquistion Reports

Table 11

FISCAL YEAR TOTALS FOR ETHANOL BLENDED FUEL FROM THE GASOLINE ACQUISITION REPORTS

Fiscal Year Ending June 30	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total Gallons Received	156,658,954	103,442,502	94,204,074	77,715,264	83,032,402	90,840,074	101,292,052	67,646,206	87,860,322	99,451,491
Total Deductions	15,581,118	10,123,262	5,409,325	2,576,427	1,569,283	4,979,937	5,574,363	6,444,033	18,931,872	21,439,988
% Shrinkage	1,504,515	50,544	-	-	-	-	-	-	-	-
Total Taxable Gallons	139,573,321	93,268,696	88,794,749	75,138,837	81,463,119	85,860,137	95,717,689	61,202,173	68,928,450	78,011,503
Inventory Loss/Gain	(135,688)	122,741	149,005	126,447	90,011	65,780	130,281	515,568	420,275	475,468
Direct Exports	14,195,730	9,250,313	4,088,240	1,665,502	1,097,558	3,406,192	1,772,582	1,076,754	868,014	720,281
Direct Sales to US Government	37,532	147,673	201,553	584,430	-	1,186,059	2,955,739	2,103,184	4,256,456	3,425,669
Indirect Exports	-	-	-	-	2,913	-	-	-	-	-
Indirect Sales to US Government	211,189	-	323	-	-	-	3,009	1,637	-	23,945
Calculated Deductions	14,444,451	9,397,986	4,290,116	2,249,932	1,100,471	4,592,251	4,731,330	3,181,575	5,124,470	4,169,895
Other Tax Paid Sales	1,084,874	10,015,431	11,123,895	645,880	902,956	2,179,372	-	2,190,270	2,464,709	4,694,647
Tax Paid Sales Retailers and Consumers	141,476,506	83,906,344	78,641,381	74,693,005	80,941,877	84,002,671	96,433,450	61,760,430	79,850,868	90,135,426
Ethanol Blended Sales	-	-	-	-	-	-	-	-	-	-
Acquired & Delivered to Registrd Distribs	67,563,458	41,544,371	35,325,007	23,150,328	24,741,457	9,610,230	4,662,430	3,689,786	87,815	-
EBF Received or Produced	142,186,690	93,268,696	88,794,749	78,136,863	84,086,046	85,860,137	95,717,689	61,202,173	68,928,450	78,011,503
Tax Paid.17/.22 ./162 Gallon	$ 22,331,731	$ 14,922,982	$ 25,488,178	$ 19,520,672	$ 13,881,611	$ 14,596,223	$ 16,272,254	$ 10,406,112	$ 11,717,976	$ 13,262,319
Other Tax Paid	$ 208,008	$ 1,659	$ (6,310,863)	$ (4,466,590)	$ 6,829	$ (219)	$ (1,700)	$ 22,436	$ 114,335	$ 2,173
Diff Reported & Calculated Deductions	1,136,667	725,276	1,119,209	326,495	468,813	387,686	843,033	3,262,458	13,807,402	17,270,093

Definitions:

Total Gallons Received equals gallons received at rack, produced or blended, gallons received when imported and gallons received-transported off Indian land.

Deductions include gallons sold to US government or Indian Tribes, gallons exported out of state, gallons dyed and sold for off-road use, gallons sold at retail on Indian land, and gallons sold by a certified distributor.

Total Taxable Gallons should equal Total Gallons Received Less Total Deductions.

Direct Exports are gallons reported as exported out of state.

Direct Sales to US Government includes gallons sold to US Government or Indian Tribes as well al gallons sold a retail on Indian land and those sold by a certified distributor.

Indirect Exports are gallons reported as fuel received in a prior month but not exported this month.

Indirect Sales are gallons reported as fuel received in a prior month but sold to the US government, an Indian nation, or NATO this month.

Tax Paid includes total tax due plus penalty and interest.

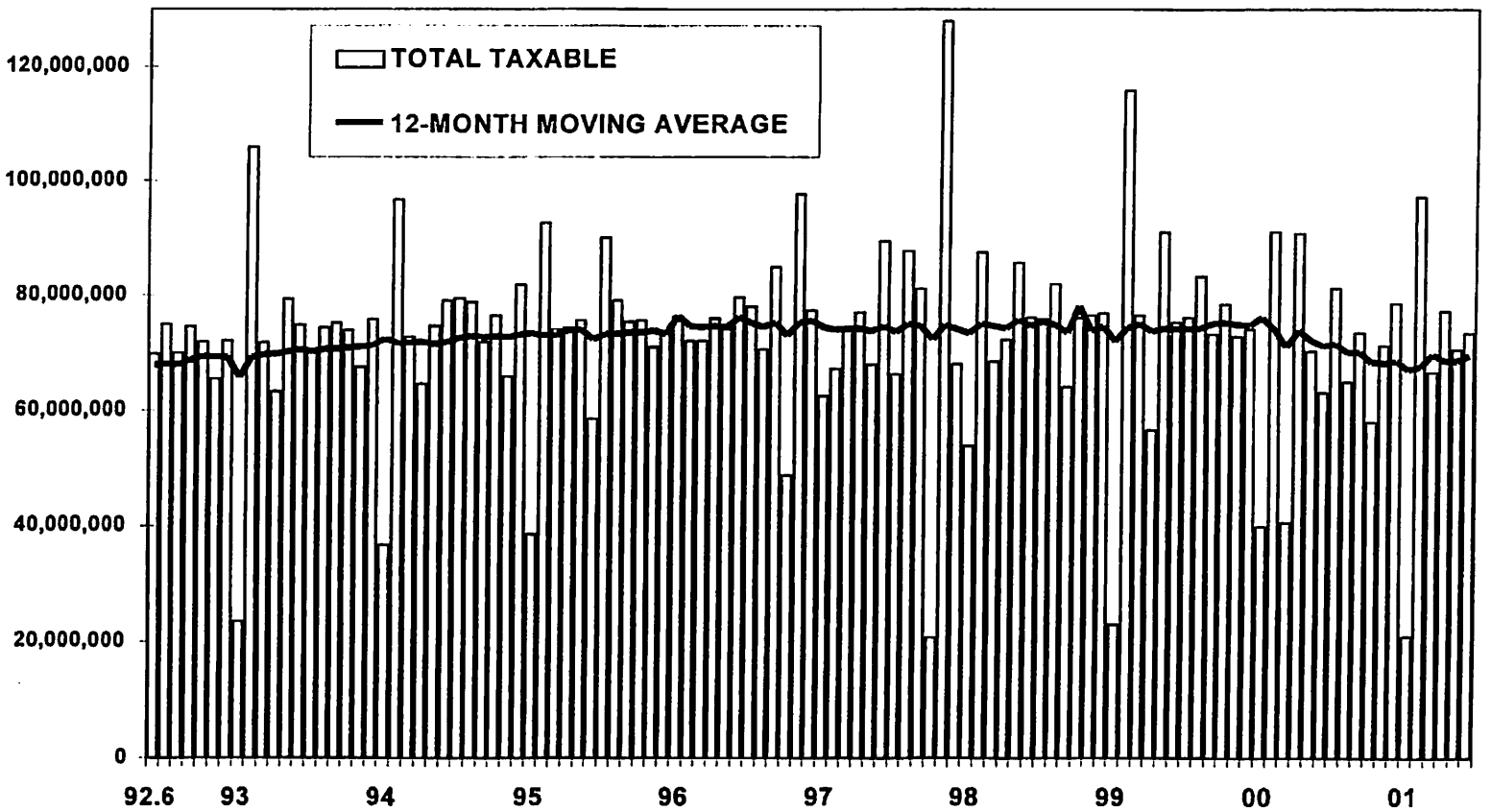
Other taxes paid include penalty and interest payments. These payments are included in Tax Paid.

Source: Gasoline Acquisition Reports New Mexico Taxation and Revenue Department

Figure 4 charts both the monthly taxable gallonage for gasoline and ethanol blended fuel and the 12 month moving average. Large drops in gallons can reflect delays in reporting or in TRD processing.

Figure 4

TOTAL TAXABLE GALLONS -- GASOLINE AND ETHANOL BLENDED FUEL



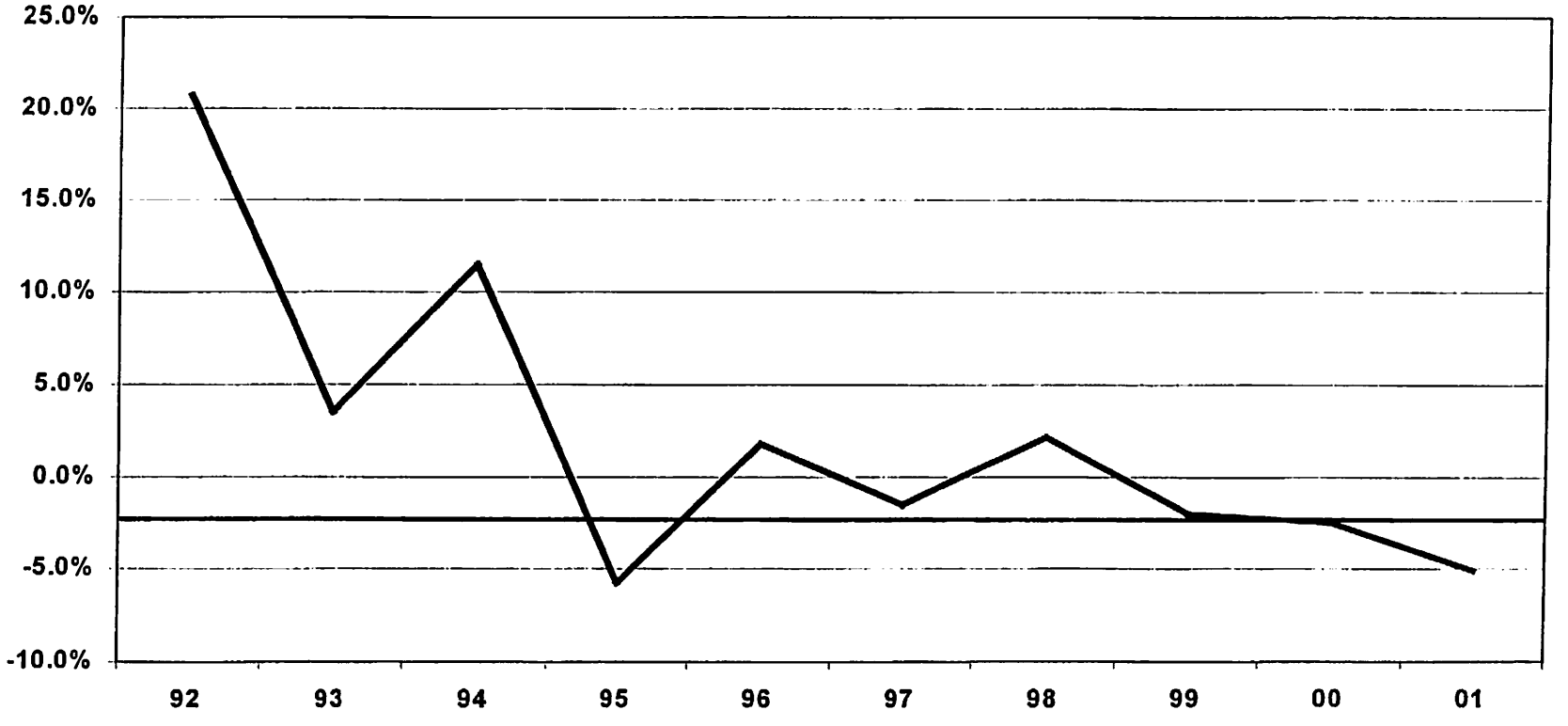
Figures are net of refunds

It is evident from the figure that total taxable gallons increased during the earlier part of the decade and then were relatively flat until the past couple years when actual declines are in evidence in the 12 month moving average.

Figure 5 presents the fiscal year growth rates.

Figure 5

GROWTH IN TAXABLE GALLONS - GASOLINE AND ETHANOL BLENDED FUEL
FISCAL YEARS ENDING IN 1992 - 01



Figures are net of refunds

The Gasoline Tax Act allows deductions for tax purposes from the total volume of gasoline received in a number of circumstances. (See the discussion under gasoline tax in Appendix B.) The law has long allowed deductions where the gasoline is "sold to an Indian nation, tribe or pueblo or any political subdivision, agency or instrumentality ... for the[ir] exclusive use...." Of growing importance, however have been the deductions for gasoline "received in New Mexico and sold at retail by a registered Indian tribal distributor...." (Section 7-13-4. E) and for gasoline received and "sold by a registered Indian tribal distributor from a nonmobile storage container located within that distributor's Indian reservation , pueblo grant or trust land for resale outside that distributor's Indian reservation, pueblo grant or trust land..." (Section 7-13-4 F). Note that under paragraph E, the gallons are eligible for deduction only if "the Indian nation, tribe or pueblo has certified to the department that it has in effect an excise, privilege or similar tax on the gasoline" and the proportion of gallons eligible for the deduction are in the same proportion as this "tax" is to the New Mexico gasoline tax up to 100%. The Laws of 1999 effectively restrict the deductions allowed under paragraph F for off reservation retail sales to Nambe and Santo Domingo Pueblos, each of which may deduct 2.5 million gallons per month.

Registered Indian tribal distributors are identified as such on TRD's web page, which is reproduced in Appendix D. It is thus possible to identify and count all sales by these distributors under the GAR headings for direct and indirect sales to the US government. However, it cannot be inferred that all these sales are in fact subject to the Indian deductions allowed in paragraphs C, E, and F of Section 7-13-4, as some of the gallons may in fact be delivered to the federal government. Without going back to the original data submitted on form and the back-up materials, it is impossible to tell. The tax reports filed by individual distributors, however, are governed by the confidentiality statute, and not available for public inspection.

As a result of legislation passed in 2000, persons other than registered Indian tribal distributors may deduct gasoline sold at retail on Indian reservations or pueblo grants under certain circumstances. This most recent change in the law means that totals calculated for registered distributors from the Gasoline Acquisition Reports may not capture all the gallons deductible under paragraph E.

Calculated totals from the GAR for Indian distributors may understate but they could also overstate actual deductible sales under paragraphs B, E, and F. The information necessary to calculate total Indian sales are collected, but cannot be reliably inferred from the GAR.

State economists at TRD have access to the more detailed filings by gasoline distributors and they have made some use of this confidential data in estimating non-taxable Indian sales. For revenue estimating purposes, they have also made an effort to associate non-taxable Indian sales to the correct reporting month, as this information is provided in the GAR. Our purpose is different and we have left the gallonage figures in the acquisition month when they were reported in the GAR.

Figure 6 charts the monthly gallons reported by registered Indian tribal distributors as eligible for deduction under the provisions discussed in the previous paragraph. Not included are deductions by these distributors for export. Indeed, we have only included those sales reported under the columns headed "Direct Sales to US Govt" and "Indirect Sales to US Govt." There is no way of calculating from the GAR the gallonage deducted by distributors who sell on Indian lands but who are not registered Indian tribal distributors.

Table 12 provides the detail by distributor on gallons reported as eligible for deduction under the provisions discussed above and excluding exports. The data are reported by fiscal year. As noted above, no effort has been made to associate activity with the revenue month following the actual month of acquisition. For this reason, and because we do not have the same access to confidential tax information as do TRD economists, the figures reported there will not necessarily correspond to those used in the revenue estimates and reported by the Department.

Figure 6

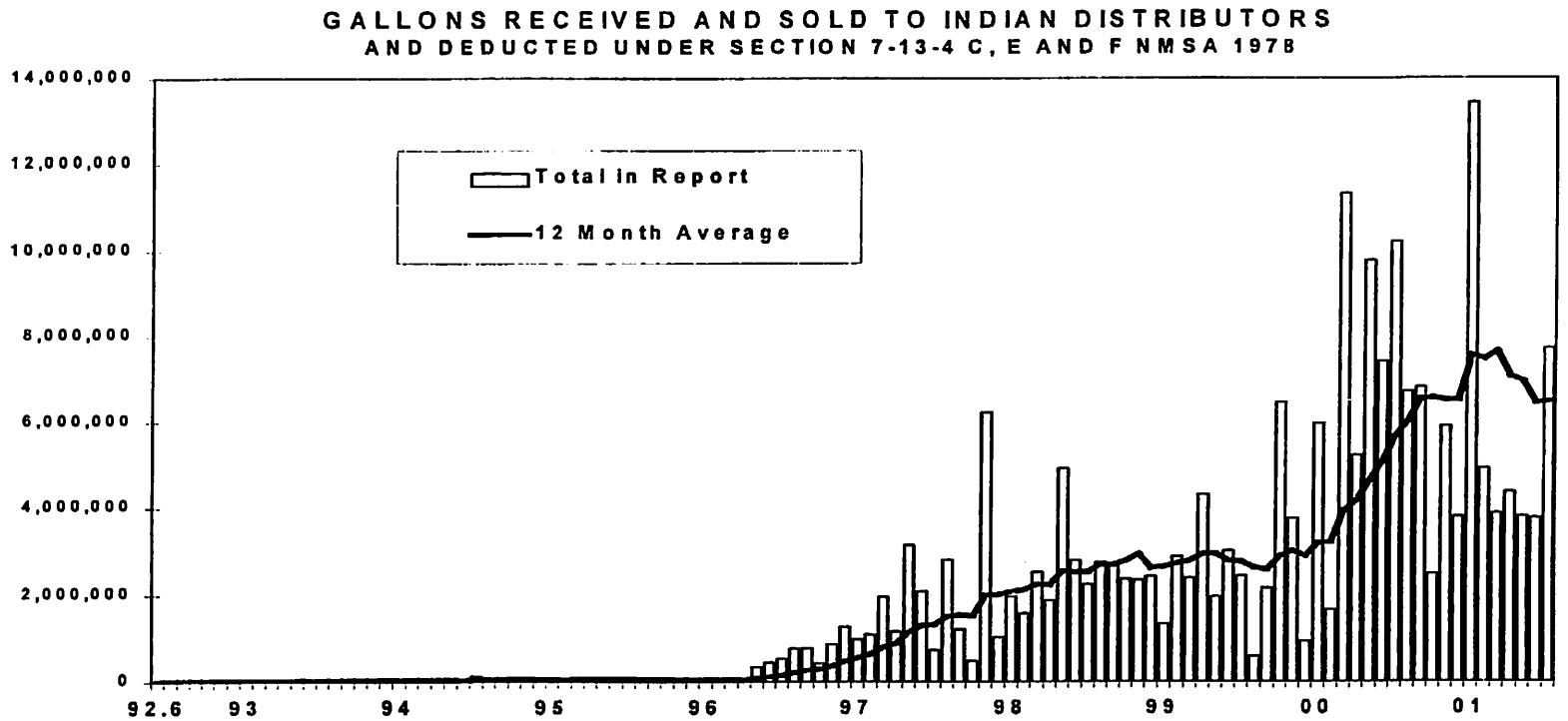

GALLONS RECEIVED AND SOLD TO INDIAN DISTRIBUTORS
AND DEDUCTED UNDER SECTION 7-13-4 C, E AND F NMSA 1978
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
Total in Report
12 Month Average
92.6
93
94
95
96
97
98
99
00
01

Table 12

FISCAL YEAR TOTALS FOR INDIAN DISTRIBUTORS FROM THE GASOLINE ACQUISITION REPORTS, NEW MEXICO, 1993-2001

Revenue Months in Tax Year Ending June 30	1993	1994	1995	1996	1997	1998	1999	2000	2001
Abeita Oil Company	-	-	-	-	-	42,462	148,546	23,168	-
Arlen Co./Dble A (PPLF)	-	-	-	-	-	1,721,725	2,364,166	1,376,503	-
Eastern Energy (Nav)	-	-	-	-	1,436,841	2,357,447	2,171,935	1,382,066	1,950,072
Pueblo of Jemez	-	-	-	-	196,737	519,373	1,043,434	1,143,545	1,133,369
Jicarilla Conoco	-	-	-	257,625	1,462,749	1,598,562	1,872,631	1,063,377	835,971
Kewa (Santo Domingo)*	-	-	-	-	1,051,067	2,558,313	6,297,081	8,373,031	25,313,355
Laguna Development Corp	-	-	-	-	-	-	-	-	-
M.T. Conoco (Conoco)	322,977	329,815	347,864	370,392	715,282	37,579	-	36,220	78,704
Nambe Pueblo Devlpmt Corp *	-	-	-	8,043	2,133,359	3,272,074	2,524,578	20,672,132	12,489,527
Navajo Nat. Oil & Gas	-	-	-	-	-	4,758,799	3,007,524	7,288,408	13,265,597
Navajo Petro Products	-	-	-	-	1,960,501	-	57,795	194,428	339,635
NavCo	71,595	321,069	454,431	302,313	511,549	-	-	753,482	746,780
Pojoaque (Pueblo of Pojoaque)	-	-	-	-	45,011	1,153,471	1,939,176	1,755,225	2,083,644
Pueblo Gas Inc	-	-	-	-	-	-	-	-	4,192,761
Pueblo of Acoma	-	-	-	-	151,828	1,568,207	796,858	1,635,312	2,177,557
Pueblo of Isleta	-	-	-	-	2,393,664	2,666,697	2,526,012	2,130,261	2,813,778
San Ildefonso (White Rock)	-	-	-	-	-	-	424,123	777,405	2,358,094
Tiwa Enterprises INC	-	-	-	-	947,781	1,946,437	1,851,708	1,699,972	1,422,231
Tristen (Tristan Distributing)	-	-	-	-	-	16,920	451,182	237,687	365,462
Tsideh (San Juan)	-	-	-	-	1,368,511	3,113,180	2,288,077	2,267,928	1,624,676
Zuni Oil Co.	-	-	-	-	-	91,242	693,486	-	-
Zuni (Major Mkt.)	-	-	-	-	263,823	-	-	517,684	522,703
Total	394,572	650,884	802,295	938,373	14,638,702	27,422,488	30,458,292	53,327,834	73,713,916

* Deductions allowable on resales throughout state up to 2,500,00 gallons per month.

Source: New Mexico Taxation and Revenue Department, Gasoline Acquisition Reports.

FEDERAL REVENUES FOR TRANSPORTATION

While FHWA highway monies for research, planning, and construction account for vast majority of federal award monies spent, SHTD regularly receives funding from other units within the Department of Transportation. Additionally, in recent years, SHTD has received monies from the Department of Energy (for transportation projects related to the Waste Isolation Pilot Plant), along with small grants from other agencies. The details on the composition of federal funding by year are provided in Table 13. Figure 7 shows the dramatic increase in FHWA funding since FY91.

Figure 7

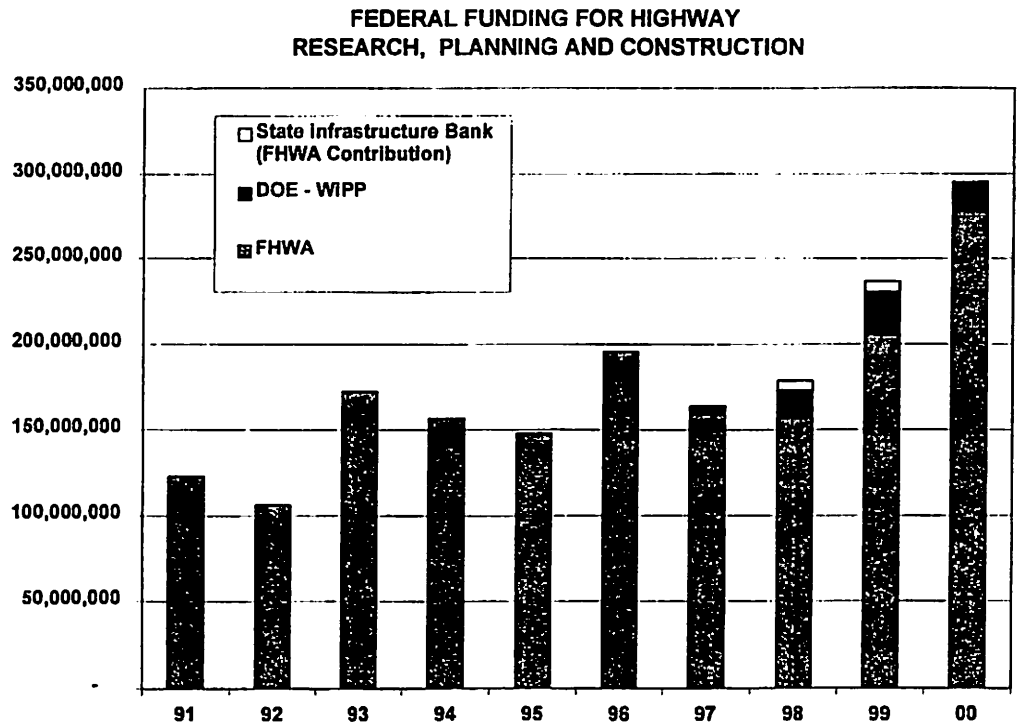


Table 13

NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Direct Assistance										
US Department of Energy (USDOE)										
Pass Through Federal Transportation Dept.	-	-	1,160,942	31,146,922	9,395,647	354,192	1,490,226	-	-	-
Not Billed:										
June 30, previous year	-	-	-	1,447,118	(1,447,118)	(100,546)	-	-	-	-
June 30, current year					100,546					
Waste Isolation Pilot Plant 1996	-	-	-	-	-	3,983,343	5,264,305	13,952,352	5,000,000	-
Waste Isolation Pilot Plant 1997	-	-	-	-	-	-	-	2,649,591	17,350,409	-
Waste Isolation Pilot Plant 1998	-	-	-	-	-	-	-	-	2,741,377	17,109,919
Waste Isolation Pilot Plant 1999	-	-	-	-	-	-	-	-	-	-
Total USDOE	-	-	1,160,942	32,594,040	8,049,075	4,236,989	6,754,531	16,601,943	25,091,786	17,109,919
US Department of Transportation (USDOT)										
Federal Highway Administration highway research, planning and construction (FHWA):										
FHWA Primary	33,635,031	27,955,139	33,975,114	33,645,061	29,729,655	33,907,942	26,460,540	25,383,016	37,149,770	76,674,074
FHWA Secondary	12,426,588	7,152,214	64,699,890	66,948,625	56,003,091	71,103,215	72,587,980	77,182,567	106,038,924	95,780,885
FHWA Interstate	59,846,390	49,230,179	49,693,868	45,220,737	44,088,239	43,685,011	34,083,899	34,487,857	36,168,665	71,538,405
FHWA Urban	2,867,087	6,914,271	6,335,990	5,397,058	4,622,970	8,704,546	7,847,867	4,175,573	8,943,865	8,742,476
FHWA Other	13,713,026	15,241,715	17,550,687	5,303,701	13,277,664	38,115,181	17,481,590	15,412,828	17,024,106	24,840,292
Total FHWA	122,488,122	106,493,518	172,255,549	156,515,182	147,721,619	195,515,895	158,461,876	156,641,841	205,325,330	277,576,132
Federal Railroad Administration:										
Local Rail Service Administration	4,940	230,521	78,099	130,960	92,665	84,748	16,539	36,297	907	751
Federal Aviation Division:										
Photoslope	26,696	-	-	-	-	-	-	-	-	-
5010 Program	320,418	82,224	12,523	9,561	10,836	9,933	8,177	7,525	10,234	-
State Planning	82,690	-	239,932	138,656	72,898	110,170	234,331	141,437	83,700	83,459
National Highway Traffic Safety Administraion:										
Fatal Accident Reporting System	28,867	14,775	31,453	29,998	32,974	34,352	35,092	36,000	40,860	42,233
DWI Prevention Program	-	107,656	531,438	819,840	576,238	539,082	386,981	213,149	221,299	206,853
Operation Buckledown	-	85,500	28,500	87,770	90,027	92,264	-	36,153	58,484	-
Seat Belt Improvement	27,628	2,957	-	-	-	-	-	-	5,493	840,106
Section 405	-	-	-	-	-	-	-	-	-	69,296
Section 411	-	-	-	-	-	-	-	-	-	48,999

Table 13

NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS. CONTINUED

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Highway Safety Grant	839,450	763,769	958,955	930,393	1,044,802	2,135,976	1,555,671	1,053,639	928,139	1,165,287
Federal Transit Administration:										
Section 18	433,839	308,868	1,238,663	1,592,030	1,276,156	1,119,195	1,507,383	1,246,319	1,752,458	1,398,987
Section 16	70,892	221,977	420,657	361,212	161,604	669,483	117,767	338,798	321,871	42,155
Section 8	36,303	54,283	127,126	230,325	174,391	192,018	239,373	145,390	199,798	246,794
Section 3	-	-	119,483	11,629	3,153	-	111,849	-	-	988,113
Elderly/Disabled	-	-	-	-	-	-	-	-	-	383,953
Amounts not billed for expenditures:										
June 30, previous year	(15,557,969)	(8,382,456)	(8,760,873)	(20,683,104)	(12,747,547)	(15,314,817)	(10,338,373)	(5,231,173)	(13,860,696)	(20,031,789)
June 30, current year	8,382,456	16,089,819	20,683,104	12,747,547	15,314,817	10,338,373	5,231,173	13,860,696	20,031,789	16,299,609
Excess project costs, unbilled:										
June 30, previous year	640,198	-	(6,623,650)	(705,296)	(2,055,496)	(1,213,706)	(1,251,555)	(121,030)	(165,193)	(208,893)
June 30, current year	-	-	-	2,055,446	1,213,706	1,251,555	121,030	165,193	208,893	543,500
Total USDOT	117,826,521	116,075,403	181,342,952	154,273,943	152,984,886	195,566,517	156,439,261	168,572,232	215,165,365	279,695,545
US Department of Labor (DOL) Employment and Training Administration:										
Welfare to Work Grants to States and Localities	-	-	-	-	-	-	-	-	-	12,820
US Department of Health and Human Services (HHS) Health Resources and Services Administration:										
Temporary Assistance for Needy Families	-	-	-	-	-	-	-	-	-	42,275
Federal Emergency Management Agency:	-	-	-	-	-	-	-	474,922	-	-
State Infrastructure Bank - FHWA Capital Contribution:	-	-	-	-	-	-	-	5,535,200	6,129,748	407,000
Total Federal Financial Assistance	117,826,521	116,075,403	182,503,894	186,867,983	161,033,961	199,803,506	163,193,792	191,184,297	246,386,899	297,267,559

Source: New Mexico State Highway Department Audited Financial Statements, Fiscal Years 1991 to 2000.

Federal Grantor/Pass-through
Grantor/Program Title

FINANCING ROAD CONSTRUCTION

Historically, SHTD has financed road construction projects from multiple sources, including current receipts of federal funds (FHWA), State severance tax bonds appropriated for transportation projects, General Fund appropriations for capital outlay (rare in recent times), Debentures backed by gasoline taxes and motor vehicle fees, and current revenues from motor fuel taxes and user fees. FHWA funding cannot be used on all projects, but FHWA funding has always been critical to the overall program. (For SHTD's description of financing highways, see Appendix E, which reproduces text from their web page.)

A vast state in terms of land area, sparsely populated and with dispersed population centers, New Mexico has critical needs for transportation infrastructure. (For information on the network of roads and highways that are the responsibility of SHTD, see Appendix F.) Under the Johnson Administration, SHTD has dramatically increased spending on road construction. Some of the resources for this effort come from the DOE and are part of a major effort to improve highways to more safely accommodate shipments to the Waste Isolation Pilot Project (WIPP) near Carlsbad, NM. However, in TEA-21, Congress also dramatically increased state apportionments from the Highway Trust Fund for the six year period beginning in Federal Fiscal Year 1998. For New Mexico, the increase in apportionments over the FY92-97 was almost 50 percent (46.6%). FHWA also took steps to encourage states to be more creative in financing transportation-related projects. One such effort, which is described in Appendix G, involves allowing states to issue Grant Anticipation Revenue Bonds, so-called GARVEE bonds, in which future FHWA allocations can be pledged and used as security for bondholders. New Mexico has been a leader in structuring creative financings.

At the beginning of the 1990's SHTD had one outstanding bond issue, a 1986 issue of debentures backed by gasoline excise taxes and motor vehicle registration fees. The last principal and interest payments on these bonds were made during the fiscal year ending June 30, 1992. The Department had authority dating from 1990 (Laws of 1990, Chapter 175) to issue up to $100 million in bonds payable from required gasoline excise tax and motor vehicle registration fee distributions to the State Road Fund, provided that the maturity on the bonds was no more than 25 years. In December 1993, $50 million in State of New Mexico Highway Debentures were issued. Authority to issue bonds has been considerably expanded since this issue. Appendix H is a copy of the revised statute (Section 67-3-59.1 NMSA 1978) that provides considerably expanded authority – up to $1,124,000,000 -- for the Department to issue bonds and includes a provision authorizing further issues above this amount should revenue growth exceed an established baseline.

Exhibit 5 presents details on the 1993 Debentures and all subsequent issues, including the two 2001 issues. We understand that two additional issues are contemplated within the next few months but have no more details on these issues than that the first would involve a $95 million issue for Route 70.

The cumulative effect of the bonds authorized and issued since 1993 on SHTD annual debt service are graphed in Figure 8 on the next page. Note that annual debt service on outstanding bonds will exceed $100 million by the fiscal year ending in 2004. It should be noted that the total debt service includes payments on WIPP bonds, which are payable entirely from monies received from the DOE. However, the security on the 1996 WIPP Bonds, which were sold under the authority of Section 67-3-59.1 NMSA 1978, as amended, is the required gasoline excise tax and motor vehicle registration fee distributions to the State Road Funds. The security on the 1998 WIPP bonds (Series B), which were sold under the authority of the same statute, reflects the addition of other user fees and includes, in addition to gasoline excise taxes, special fuel excise taxes and vehicle transaction taxes and fees required by law to be paid into State Road Fund. The security on the 1998 and 2001 GARVEE Bonds is future FHWA allocations. While FHWA has approved the financing plans for these bond issues, the future flow of federal dollars to support these bonds beyond 2003, the last year of the current cycle, cannot be guaranteed. New Mexico's CHAT bonds are another version of GARVEE bonds, with debt service to be paid from future FHWA funding streams. With CHAT bonds, the security pledged, however, is in all cases State motor fuel taxes and motor vehicle user fees.

Exhibit 5

NEW MEXICO STATE HIGHWAY AND TRANSPORTATION DEPARTMENT DEBT

State of New Mexico Highway Debentures, Series 1993
Date Issued: Dec. 1993
Amount: $50,000,000, with $49,569,156 bond proceeds.
Security: Payable from gasoline excise taxes, motor vehicle registration fees and other fees required by law to be paid into State Road Fund and not otherwise pledged solely for debt service.
Authority: Section 67-3-59.1, as amended and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose: General Improvements

Payment Schedule: Principal is due June 15; Interests June 15 and December 15. Since December 1998, subject to optional redemption prior to maturities.
Interest: 4.1% to 4.4%
Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
1994	4,270,000	1,021,290	5,291,290
1995	4,380,000	1,880,320	6,260,320
1996	4,515,000	1,713,880	6,228,880
1997	4,675,000	1,542,310	6,217,310
1998	4,845,000	1,364,660	6,209,660
1999	5,030,000	1,170,860	6,200,860
2000	5,230,000	964,630	6,194,630
2001	5,450,000	744,970	6,194,970
2002	5,680,000	510,620	6,190,620
2003	5,925,000	260,700	6,185,700
Balance June 30, 2000	17,055,000	1,516,290	18,571,290

New Mexico State Highway Commission Adjustable Tender Subordinate Lien Tax Revenue Highway Bonds. Series 1996 (1996 WIPP Bonds)
Date Issued: Dec. 1996
Amount: $100,000,000, with $98,837,055 bond proceeds.
Security: Payable solely from and secured by gasoline excise taxes and motor vehicle registration fees required by law to be paid into State Road Fund.
Authority: Section 67-3-59.1, as amended, and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose: Roads related to the WIPP Project in NM.
Payment Schedule: Principal is due June 15, starting in 1999; Interests June 15 and December 15. Since December 1998, subject to optional redemption prior to maturities.
Interest: Variable rate set each Wednesday. Rate Cap agreement with Morgan Guarantee Trust Co. sets the maximum interest at 5% per annum through 2003 and 6% through termination.

Exhibit 5

Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
1998		4,015,890	4,015,890
1999	5,760,000	4,200,000	9,960,000
2000	6,005,000	3,968,924	9,973,924
2001	6,270,000	4,411,750	10,681,750
2002	6,555,000	4,098,250	10,653,250
2003	6,855,000	3,770,500	10,625,500
2004	7,180,000	4,113,300	11,293,300
2005	7,520,000	3,682,500	11,202,500
2006	7,890,000	3,231,300	11,121,300
2007	8,285,000	2,757,900	11,042,900
2008	8,710,000	2,260,800	10,970,800
2009	9,160,000	1,738,200	10,898,200
2010	9,645,000	1,188,600	10,833,600
2011	10,165,000	609,900	10,774,900
Balance June 30, 2000	88,235,000	31,863,000	120,098,000

New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Highway Bonds. Series 1998A (CHAT Bonds)
Date Issued: Oct. 1998
Amount: $105,000,000, with $108,979,050 bond proceeds, and $773,588 issuance costs.
Security: Payable solely by a pledge of proceeds of the collection of gasoline excise taxes, special fuel excise taxes and vehicle transaction taxes and fees required by law to be paid into State Road Fund.
Authority: Section 67-3-59.1, as amended and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose: Projects identified by the Department and the Legislature.
Payment Schedule: Principal is due June 15; Interest, June 15 and December 15.
Interest: 4.25 to 5.125%
Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
2000	7,195,000	4,633,095	11,828,095
2001	7,500,000	4,327,308	11,827,308
2002	7,840,000	3,989,808	11,829,808
2003	8,195,000	3,637,008	11,832,008
2004	8,560,000	3,268,233	11,828,233
2005	8,945,000	2,883,033	11,828,033
2006	9,290,000	2,538,650	11,828,650
2007	9,730,000	2,097,375	11,827,375
2008	10,195,000	1,635,200	11,830,200
2009	10,705,000	1,125,450	11,830,450
2010	11,255,000	576,819	11,831,819
Balance June 30, 2000	92,215,000	26,078,884	118,293,884

New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Highway bonds. Series 1998B (WIPP Bonds)
Date Issued: Oct. 1998
Amount: $100,000,000, with $103,753,450 bond proceeds, and $767,380 issuance costs.
Security: Payable solely by a pledge of proceeds of the collection of gasoline excise taxes, special fuel excise taxes and vehicle transaction taxes and fees

required by law to be paid into State Road Fund.
Authority: Section 67-3-59.1, as amended, and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose: Projects identified by the Department and the Legislature.
Payment Schedule: Principal is due June 15; Interest, June 15 and December 15.
Interest: 4.25 to 5.125%
Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
2000	4,320,000	4,490,513	8,810,513
2001	4,885,000	4,306,913	9,191,913
2002	5,490,000	4,087,088	9,577,088
2003	6,080,000	3,883,958	9,963,958
2004	6,740,000	3,610,358	10,350,358
2005	7,390,000	3,354,238	10,744,238
2006	8,095,000	3,040,163	11,135,163
2007	8,890,000	2,635,413	11,525,413
2008	9,675,000	2,235,363	11,910,363
2009	10,545,000	1,751,613	12,296,613
2010	11,460,000	1,224,363	12,684,363
2011	12,430,000	637,038	13,067,038
Balance June 30, 2000	91,680,000	30,766,508	122,446,508

New Mexico Finance Authority Federal Highway Grant Anticipation Revenue Bonds
Date Issued: Oct. 1998
Amount: Issued $100,230,000 by NMFA; Issuance Costs $2,144,423 net of $1,656,807.
Security: Payable from certain federal funds from the Federal Highway Administration.
Authority: Section 67-3-59.1, as amended and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose:
Payment Schedule: Two basis points on the outstanding principal balance every September 1.
Interest:
Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
2001		4,676,874	4,676,874
2002	4,845,000	4,573,918	9,418,918
2003	5,050,000	4,357,336	9,407,336
2004	5,280,000	4,139,431	9,419,431
2005	5,485,000	3,925,451	9,410,451
2006	5,705,000	3,698,799	9,403,799
2007	5,940,000	3,455,621	9,395,621
2008	6,195,000	3,182,265	9,377,265
2009	6,485,000	2,881,115	9,366,115
2010	6,795,000	2,578,455	9,373,455
2011	7,090,000	2,243,702	9,333,702
2012	7,465,000	1,861,634	9,326,634
2013	7,855,000	1,459,484	9,314,484
2014	8,270,000	1,058,945	9,328,945
2015	8,660,000	637,275	9,297,175
2016	9,110,000	204,975	9,314,975
Balance June 30, 2000	100,230,000	44,935,280	145,165,180

Exhibit 5

New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Highway Bonds. Series 1999 (CHAT Bonds)
Date Issued: November 1999
Amount: $100,000,000, with $101,161,999 gross proceeds, and $166,000 issuance costs.
Security: Payable solely from and secured by a pledge of proceeds of the collection of gasoline excise taxes and motor vehicle registration fees that are required to be paid into the State Road Fund.
Authority: Section 67-3-59.1, as amended and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose: Projects identified by the Department and the Legislature.
Payment Schedule: Principal is due June 15; Interest, June 15 and December 15.
Interest: 4.75 to 6%
Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
2000	1,080,000		1,080,000
2001	5,940,000	5,348,631	11,288,631
2002	7,370,000	4,997,631	12,367,631
2003	7,740,000	4,629,131	12,369,131
2004	8,110,000	4,261,482	12,371,482
2005	8,495,000	3,876,256	12,371,256
2006	8,920,000	3,451,506	12,371,506
2007	9,385,000	2,983,207	12,638,207
2008	9,870,000	2,502,225	12,372,225
2009	10,410,000	1,959,375	12,369,375
2010	11,010,000	1,360,800	12,370,800
2011	11,670,000	700,200	12,370,200
Balance June 30, 2000	98,920,000	36,070,444	135,260,444

New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Highway Bonds. Series 2000A (CHAT Bonds)
Date Issued: May 2000
Amount: $201,000,000 with $206,023,307 gross proceeds, and $155,000 issuance costs.
Security: Payable solely from and secured by a pledge of proceeds of the collection of gasoline excise taxes and motor vehicle registration fees that are required to be paid into the State Road Fund.
Authority: Section 67-3-59.1, as amended and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose: Projects identified by the Department and the Legislature.
Payment Schedule: Principal is due June 15; Interest, June 15 and December 15.
Interest: 5 to 6%

Exhibit 5

Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
2000	1,173,100		1,173,100
2001	6,446,900	12,305,546	18,752,446
2002	9,420,000	11,246,287	20,666,287
2003	9,940,000	10,728,187	20,668,187
2004	10,485,000	10,181,488	20,666,488
2005	11,090,000	9,578,600	20,668,600
2006	11,700,000	8,968,650	20,668,650
2007	12,340,000	8,325,150	20,665,150
2008	13,060,000	7,607,425	20,667,425
2009	13,810,000	6,857,375	20,667,375
2010	14,605,000	6,063,075	20,668,075
2011	15,480,000	5,186,775	20,666,775
2012	16,410,000	4,257,975	20,667,975
2013	17,350,000	3,314,400	20,664,400
2014	18,395,000	2,273,400	20,668,400
2015	19,495,000	1,169,700	20,664,700
Balance June 30, 2000	$ 200,026,900	$ 108,064,033	$ 308,090,933

New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Highway Bonds. Series 2001A (CHAT Bonds)
Date Issued: March 2001
Amount:
Security: Payable solely from and secured by a pledge of proceeds of the collection of gasoline excise taxes and motor vehicle registration fees that are required to be paid into the State Road Fund.
Authority: Section 67-3-59.1, as amended and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose: Projects identified by the Department and the Legislature.
Payment Schedule: Principal is due June 15; Interest, June 15 and December 15.
Interest: 4.5% to 5.5%
Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
2001	-	-	-
2002	-	13,357,063	13,357,063
2003	14,040,000	10,017,798	24,057,798
2004	14,705,000	9,356,035	24,061,035
2005	15,425,000	8,632,435	20,666,488
2006	16,190,000	7,867,585	20,668,600
2007	16,990,000	7,071,235	20,668,650
2008	17,835,000	6,224,335	20,665,150
2009	18,725,000	5,333,710	20,667,425
2010	19,665,000	4,397,460	20,667,375
2011	20,645,000	3,415,148	20,668,075
2012	21,720,000	2,338,838	20,666,775
2013	22,860,000	1,198,538	20,667,975
Balance June 30, 2000	$ 198,800,000	$ 79,210,178	$ 247,482,409

Exhibit 5

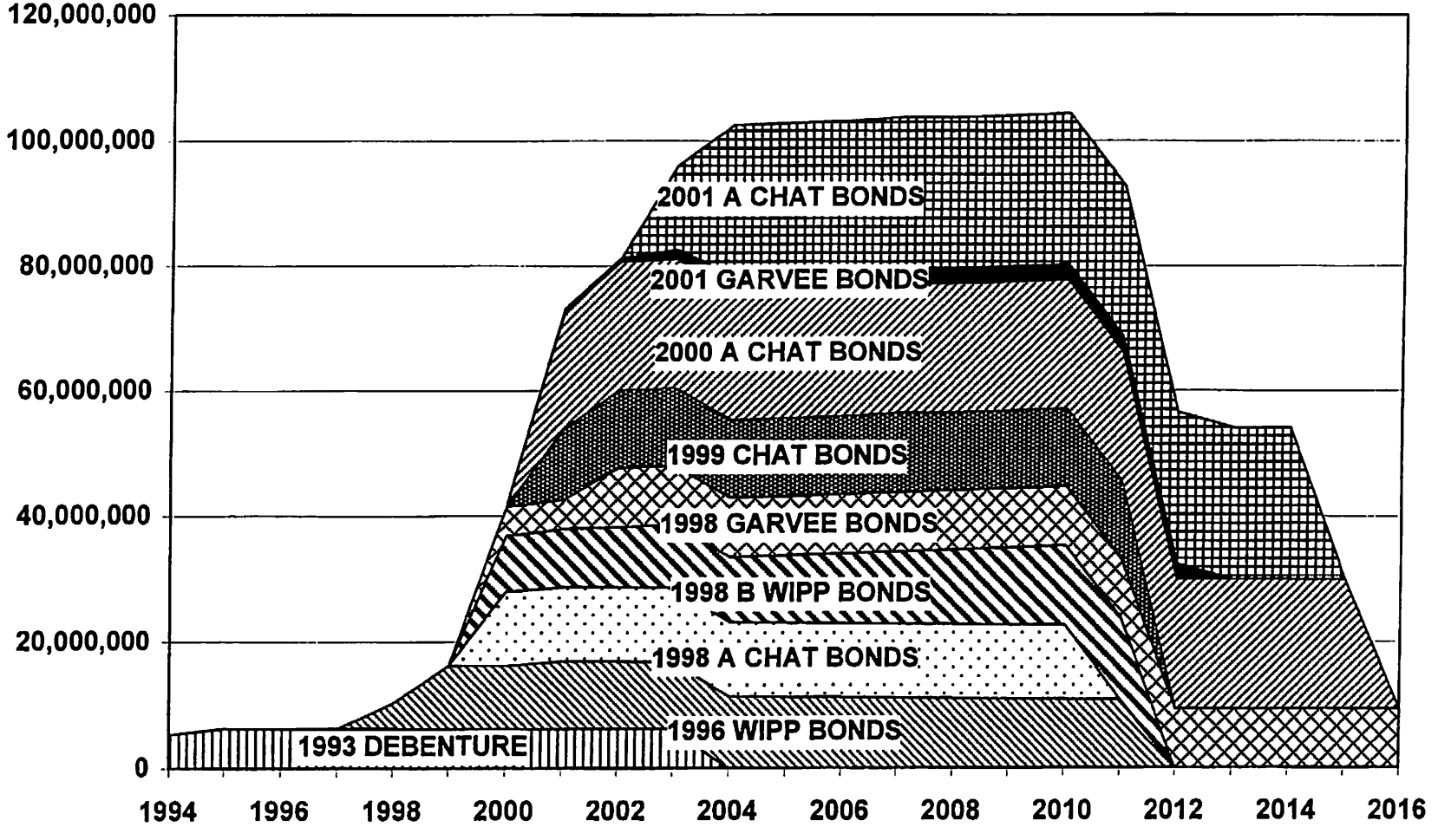
New Mexico Finance Authority Federal Highway Grant Anticipation Revenue Bonds
Date Issued: March 2001
Amount:
Security: Payable from certain federal funds from the Federal Highway Administration;
Authority: Section 67-3-59.1, as amended and the Supplemental Public Securities Act, Sections 6-14-8 through 6-14-11.
Purpose:
Payment Schedule: Two basis points on the outstanding principal balance every September 1.
Interest:
Debt Service Schedule:

Year Ending June 30	Principal	Interest	Total
2001	-	507,369	507,369
2002	705,000	869,775	1,574,775
2003	1,645,000	841,575	2,486,575
2004	1,715,000	775,775	2,490,775
2005	1,990,000	700,550	2,490,550
2006	1,675,000	616,550	2,491,550
2007	1,960,000	527,650	2,487,650
2008	2,055,000	433,650	2,488,650
2009	2,155,000	337,470	2,492,470
2010	2,260,000	232,520	2,492,520
2011	2,375,000	114,820	2,489,820
Balance June 30, 2001	18,535,000	5,450,335	23,985,335

Figure 8

DEBT SERVICE REQUIREMENTS

REFLECTING BOND SALES AS OF JUNE 30, 2001



Most federal funding requires a state match, and FHWA typically requires a match of 10 or 20 percent, 20 percent on GARVEE Bonds. As the federal flow of dollars to New Mexico has increased, so has the required federal match from State revenue sources. This fact, combined with slower revenue growth, particularly from the gasoline tax, and rising personnel and other costs, has put the Department in a bind, as is illustrated by Table 14, which reproduces a table included in the Department's May 2001 presentation to the Legislative Finance Committee.

Of concern, given the future debt service obligations, should be the Department's future ability to maintain the extensive state and federal highway system for which it has responsibility. Table 15 presents calculations based on the latest federal data for the states that are available, Highway Statistics 1999. The data are actually for 1998 and hence capture only the beginning of SHTD's recent construction campaign. In that year, 48 percent of New Mexico's total highway disbursements by State and local governments went for capital outlay – roughly the same percentage as nationally. However, less than 17 percent went for maintenance, versus 26 percent across the states. The categorization of expenditures is always problematic. Breaking out and distinguishing capital expenditures, maintenance expenditures and administrative costs is difficult to do. BBER has three years of experience -- and somewhat limited success -- trying to do this for local governments in New Mexico.

State government departments must now comply with the Accountability in Government Act and develop budgets by programmatic effort. For SHTD, this has meant identifying how much of the budget, including the amounts from different revenue sources and the amounts spent on different line items, goes for road construction and how much goes for maintenance or to supporting (administratively) these programs. Table 16 reproduces the table that appeared in the LFC Budget for 2001-02. The figures in the table reflect a reallocation of revenues and expenditures, the bulk of which used to be accounted for in the Road Betterment Program, to new programs. Unfortunately, it is difficult to tie the numbers to the numbers in older reports, a matter made more difficult by the fact that the FY 2000 "actuals" do not tie to the audit for that year.

Table 14

STATE FUNDS AVAILABLE FOR OPERATIONS AND NON-FEDERAL CONSTRUCTION

Fiscal Years Ending June 30	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Revenue:											
Federal Revenue - Contract Authority	152,123,554	174,431,131	176,491,596	173,464,201	166,853,273	200,738,715	231,786,505	247,696,668	261,423,837	275,636,000	273,680,000
State Revenue - Ordinary Income	241,821,000	254,398,000	261,590,000	267,973,000	273,206,000	288,705,000	299,162,000	300,154,000	288,000,000	288,000,000	288,000,000
Less: Required State Match for Fed Funds	20,744,121	23,786,063	24,067,036	23,654,209	22,752,719	27,373,461	31,607,251	33,776,818	35,648,705	40,084,827	39,800,372
State Funds for Non-Fed Operations	221,076,879	230,611,937	237,522,964	244,318,791	250,453,281	261,331,539	267,554,749	266,377,182	252,351,295	247,915,173	248,199,628
Less Fixed Costs											
Personal Services and Benefits	93,249,300	96,256,700	102,440,900	105,160,500	99,241,600	94,109,200	97,266,500	102,945,200	103,570,600	107,354,500	110,038,362
Overhead Insurance Costs	7,305,800	7,302,100	7,249,800	6,476,700	5,288,500	3,851,000	3,658,400	3,488,300	3,517,900	5,473,600	5,473,600
Fuel Costs	2,954,500	2,819,400	2,750,700	2,573,300	2,847,000	2,517,500	1,991,700	2,824,700	4,099,300	3,238,400	4,200,000
Utility Costs	1,938,100	1,957,600	1,855,900	1,745,600	1,839,600	1,888,600	1,767,400	1,893,900	2,082,600	1,813,400	2,200,000
Transfers to Other Agencies	14,497,000	18,499,000	17,446,600	17,255,800	18,428,400	19,389,700	4,795,500	20,011,200	8,232,000	8,286,900	8,286,900
	119,944,700	126,834,800	131,743,900	133,211,900	127,645,100	121,756,000	109,477,500	131,163,300	121,502,400	126,166,800	130,198,862
Balance for Operational Expenses and Non-Federal Construction Projects	101,132,179	103,777,137	105,779,064	111,106,891	122,808,181	139,575,539	158,077,249	135,213,882	130,848,895	121,748,373	118,000,766
FTE Employees											
Number of FTE Employees	2,731	2,745	2,846	2,838	2,838	2,710	2,662	2,643	2,643	2,643	2,643

Source: New Mexico Highway & Transportaion Department: Status of Major Investment Projects and Update on Road Fund Financial Outlook, Presentation to the Legislative Finance Committee - May 24, 2001

Table 15
TOTAL DISBURSEMENTS FOR HIGHWAYS, ALL UNITS OF GOVERNMENT - 1998
PERCENTAGE COMPOSITION BY STATE

NOVEMBER 2000 TABLE HF-2

STATE	CAPITAL OUTLAY	MAINTENANCE AND SERVICES	ADMINISTRATION & MISC SERVICES	HIGHWAY LAW ENFORCEMENT	INTEREST	BOND RETIREMENT	TOTAL DISBURSE-
Alabama	44.0%	40.8%	8.5%	4.4%	0.6%	1.7%	100.0%
Alaska	50.4%	31.7%	7.5%	5.7%	2.0%	2.7%	100.0%
Arizona	53.1%	19.3%	5.6%	4.9%	6.3%	10.7%	100.0%
Arkansas	58.4%	25.8%	9.1%	6.1%	0.1%	0.5%	100.0%
California	45.7%	22.4%	9.9%	15.0%	3.9%	2.1%	100.0%
Colorado	56.4%	25.4%	5.9%	7.6%	2.4%	2.3%	100.0%
Connecticut	41.0%	16.6%	6.8%	4.4%	13.0%	18.2%	100.0%
Delaware	45.7%	20.3%	7.7%	8.0%	8.3%	10.0%	100.0%
Dist. of Col.	63.2%	10.0%	10.1%	1.2%	5.6%	9.9%	100.0%
Florida	58.8%	18.4%	6.1%	8.1%	5.4%	3.2%	100.0%
Georgia	60.2%	19.7%	4.6%	7.2%	5.7%	2.6%	100.0%
Hawaii	55.3%	14.8%	12.0%	4.5%	4.8%	8.6%	100.0%
Idaho	56.8%	31.1%	7.8%	3.6%	0.2%	0.4%	100.0%
Illinois	51.1%	29.2%	6.5%	3.9%	4.9%	4.5%	100.0%
Indiana	51.9%	34.3%	7.0%	3.0%	2.5%	1.3%	100.0%
Iowa	50.5%	33.5%	5.3%	5.0%	1.8%	3.9%	100.0%
Kansas	48.7%	17.2%	7.9%	16.4%	5.2%	4.6%	100.0%
Kentucky	55.8%	18.6%	8.0%	4.3%	5.5%	7.8%	100.0%
Louisiana	41.8%	16.5%	8.4%	8.3%	3.4%	21.6%	100.0%
Maine	37.0%	41.0%	3.5%	8.3%	3.0%	7.1%	100.0%
Maryland	49.5%	26.0%	6.1%	11.1%	3.0%	4.2%	100.0%
Massachusetts	57.5%	14.5%	7.5%	7.9%	7.3%	5.3%	100.0%
Michigan	53.2%	28.8%	4.5%	9.1%	2.1%	2.3%	100.0%
Minnesota	49.0%	27.9%	6.7%	9.5%	2.7%	4.1%	100.0%
Mississippi	55.7%	27.8%	4.8%	8.5%	1.1%	2.1%	100.0%
Missouri	52.5%	31.3%	5.5%	9.8%	0.4%	0.5%	100.0%
Montana	55.2%	25.5%	7.9%	7.2%	1.1%	3.2%	100.0%
Nebraska	51.9%	22.8%	7.1%	6.0%	1.1%	11.1%	100.0%
Nevada	51.1%	18.2%	9.3%	8.7%	0.4%	12.4%	100.0%
New Hampshire	32.3%	40.8%	8.0%	11.5%	3.9%	3.5%	100.0%
New Jersey	30.8%	22.0%	7.6%	20.7%	10.1%	8.9%	100.0%
New Mexico	48.0%	16.6%	22.5%	10.9%	1.0%	1.1%	100.0%
New York	43.7%	28.1%	6.0%	4.5%	7.2%	10.5%	100.0%
North Carolina	53.9%	25.5%	6.6%	11.1%	1.1%	1.8%	100.0%
North Dakota	62.5%	21.3%	7.0%	4.2%	1.0%	3.9%	100.0%
Ohio	54.9%	28.2%	6.9%	4.2%	2.1%	3.7%	100.0%
Oklahoma	50.6%	26.1%	12.6%	3.8%	4.7%	2.2%	100.0%
Oregon	51.6%	29.8%	9.8%	6.3%	0.6%	1.9%	100.0%
Pennsylvania	34.8%	43.5%	3.5%	10.1%	4.0%	4.2%	100.0%
Rhode Island	54.8%	19.6%	5.4%	5.3%	5.6%	9.4%	100.0%
South Carolina	57.2%	21.7%	6.3%	13.8%	0.6%	0.5%	100.0%
South Dakota	54.7%	25.0%	9.4%	10.1%	0.2%	0.7%	100.0%
Tennessee	54.9%	31.5%	7.1%	5.5%	0.1%	0.9%	100.0%
Texas	44.4%	28.7%	6.5%	11.7%	5.1%	3.6%	100.0%
Utah	74.0%	14.5%	5.1%	3.6%	0.6%	2.2%	100.0%
Vermont	42.9%	37.9%	8.6%	8.8%	0.6%	1.3%	100.0%
Virginia	45.9%	34.3%	6.7%	7.5%	3.3%	2.4%	100.0%
Washington	48.3%	25.2%	11.8%	8.7%	3.0%	4.9%	100.0%
West Virginia	47.7%	30.1%	6.3%	11.3%	1.3%	3.2%	100.0%
Wisconsin	44.1%	27.2%	6.7%	12.3%	3.7%	6.0%	100.0%
Wyoming	59.1%	29.8%	5.4%	5.6%	0.0%	0.1%	100.0%
Undistributed	0.0%	4.7%	95.3%	0.0%	0.0%	0.0%	100.0%
Total	**48.4%**	**26.1%**	**7.9%**	**8.7%**	**4.1%**	**4.8%**	**100.0%**

Note: Disbursements are classified by system on which expended, rather than by expending agencies, e.g., capital outlay on local rural roads includes expenditures from Federal, State and local funds. Data includes estimates.

Source: Table format and data used in calculations from FHWA, *Highway Statistics 1999*

Table 16

LEGISLATIVE FINANCE COMMITTEE BREAKDOWN OF BUDGET FOR THE STATE HIGHWAY AND TRANSPORTATION DEPARTMENT, FY 2001-02

(in $000's)	NMSHTD Total			CONSTRUCTION			MAINTENANCE		
	FY 2000 Actual	FY 2001 Budget	FY 2002 LFC Rec.	FY 2000 Actual	FY 2001 Budget	FY 2002 LFC Rec.	FY 2000 Actual	FY 2001 Budget	FY 2002 LFC Rec.
SOURCES									
Gen. Fund Transfer									
Other transfers									
ed. Program Revenue	359,553.9	288,790.0	305,467.2	345,345.5	270,700.6	286,560.1	5,915.8	5,915.8	5,915.8
Other Revenue	321,710.2	340,138.0	346,347.0	134,019.5	145,903.7	148,649.2	134,302.0	135,980.0	134,469.6
Gen. Revenues									
Extraord/Special									
Fund Balance	5,500.0	19,372.2	3,572.1	5,500.0	18,738.9	3,572.1			
Total	686,764.1	648,300.2	655,386.3	484,865.0	435,343.2	438,781.4	140,217.8	141,895.8	140,385.4
USES									
Personal Services	73,393.9	78,396.9	80,156.8	27,690.4	35,755.0	32,007.4	31,130.3	27,665.9	27,831.6
Employee Benefits	27,010.0	30,930.1	32,053.1	8,940.9	11,544.1	10,243.8	10,499.1	10,472.0	10,293.5
Travel	11,225.3	11,349.9	11,755.2	3,297.7	3,425.4	2,748.6	6,214.1	6,918.0	7,734.4
Maintenance/repairs	5,585.1	8,994.6	8,473.6	1,234.6	1,692.0	1,529.9	2,043.3	4,418.9	4,167.9
Supplies/Materials	28,525.0	30,327.0	30,020.9	703.9	815.5	760.7	27,160.7	28,045.8	27,901.5
Contractual Services	429,219.5	339,215.4	335,429.9	381,025.1	290,934.1	292,440.3	41,067.5	40,853.1	40,569.2
Operating Costs	10,586.4	12,651.0	12,555.4	2,039.3	2,163.8	1,482.5	2,886.2	1,708.5	1,600.4
Other Costs	78,638.5	112,406.9	122,758.4	55,051.9	86,901.7	94,627.8	10,955.0	10,383.0	11,202.0
Capital Outlay	15,603.8	15,707.6	13,365.0	4,815.7	2,051.4	2,877.4	8,246.1	11,425.6	9,079.9
Out-of-state Travel	165.4	205.8	202.6	65.5	60.1	63.0	15.5	5.0	5.0
Op Transfers Out	6,811.2	8,115.0	8,615.4						
Total	686,764.1	648,300.2	655,386.3	484,865.0	435,343.1	438,781.4	140,217.8	141,895.8	140,385.4
FTE POSITIONS									
Permanent	2,603.0	2,603.0	2,603.0	901.0	901.0	901.0	1,084.0	1,084.0	1,084.0
Term	21.0	21.0	21.0	15.0	15.0	15.0	1.0	1.0	1.0
Temp	51.5	51.5	51.5	32.3	32.3	32.3	15.8	15.8	15.8
Total	2,675.5	2,675.5	2,675.5	948.3	948.3	948.3	1,100.8	1,100.8	1,100.8

Source: Budget Analysis of State Agencies Report of The Legislative Finance Committee to the Forty-fifth Legislature First January 2001, For Fiscal Year 2001-2002

CONCLUSIONS

The genesis of this report was an inquiry as to the existence of published reports on motor fuel taxes and the State Road Fund. Finding a void, we took on this project out of a conviction that the public should have ready access to information on New Mexico taxes and revenue sources as well as to financial information bearing on how State departments are using public monies. We have attempted to pull together the best and most credible financial information available to shed light on the finances of the State Highway and Transportation Department from 1990 to the present. Unfortunately, what is currently available is not good enough. The State and the people of New Mexico need better data.

Take, for example, the arguments made about the reasons for flat or declining gasoline tax revenues. The Secretary of SHTD places much blame on deductible Indian sales. Without question, retail sales of gasoline eligible for deduction because the sales occur on Indian lands or were purchased from a certified distributor (Nambe or Santo Domingo) are more important today than 5 or 6 years ago. What is the impact of the Indian deductions on State motor fuel tax revenues? This figure is at best approximated. The Gasoline Acquisition Report (GAR) that is used for making the estimate is woefully out of date. The report line references in the GAR are to a report filed by gasoline distributors years ago and before the many changes in State statute that have necessitated revisions to the reporting forms. The result is that the claimed Indian deductions are lumped together in the report with other deductions. While we may know an Indian distributor has claimed one or more deductions, we cannot know from the GAR how many of the gasoline gallons not subject to tax were deducted under one or more of the Indian deductions. Some of these gallons may in fact have been delivered to the federal government. It is apparently also possible that some of the gallons eligible for the Indian deductions are counted more than once in the relevant GAR column(s). Thus, the gallons counted as Indian deductions in some cases may be overstated.

There are also reasons to believe that the deductions associated with sales on Indian lands may be understated. Recent changes in the law allow non-Indian distributors to claim a deduction on gallons sold at retail on Indian lands. This is the "Giant" deduction, but not all Giant's sales that show up on the report under "sales to US Govt " are deducted for this reason; many of the gallons may in fact have been sold to the federal government. Moreover, the "Giant" deduction can be claimed by other non-Indian distributors who sell gasoline on Indian land. Unfortunately, the only way to tally the total number of gallons subject to the "Giant" deduction is to go through the individual reports one by one, and this requires having access to confidential tax information. So the total loss of gasoline tax revenue due to Indian deductions, including "Giant", cannot be reliably estimated from the GAR. The actual number may be more; it could also be less.

The problems with the GAR go well beyond the difficulties posed for estimating tax losses due to Indian deductions. This report is used as the basis for filing monthly reports on motor fuel consumption with the Federal Highway Administration and that data is in turn used to determine the flow of federal highway dollars to New Mexico. BBER has had some recent involvement in filing that report, and we are concerned that the numbers derived from the report may inaccurately reflect actual activity.

In FY 01, "total deductions" in the GAR exceeded the sum of deductions -- for exports, sales to the federal government, sales to Indian governments and on Indian land, and for dye gas sales – by close to 200 million gallons. At 17 cents a gallon, the tax dollars would be well over $30 million. True, some of this reflects counting the same gallons for deduction more than once, but it is an astounding sum and raises questions not simply about the GAR but also about the Taxation and Revenue Department's policy of allowing "refunder credits".

Much is at stake here. The State of New Mexico needs to give priority and provide adequate funding to bring the gasoline (and ethanol) tax policies, regulations, and reporting systems up to date, consistent with State law, and able to satisfy federal reporting requirements. The confidentiality statute that authorizes the preparation and publication of the GAR needs to be examined and may need to be revised so that an entirely new report can be designed to generate reliably the types of information now needed. The effort will require developing new computer systems for tracking and reporting data.

The gasoline and ethanol tax systems are not the only road related revenue systems with data problems. The special fuel taxes are extremely complicated and involve the state in a complex system of interstate credits and debits under the International Fuel Tax Agreement (IFTA). TRD has lost their expertise in this area and is behind in reconciling receipts and disbursements. There are also problems with the motor vehicle registration program numbers.

Nor are the problems limited to the revenue side of the ledger. There are also problems on the expenditure side. State accounting systems track revenues and expenditures within funds by program (project) and by line item. Conceptually, the data are collected and placed in "boxes" which may or may not be the boxes most appropriately used for analysis. Then the auditors will come along and put the data that has been collected into the customary boxes required for reporting purposes in conformance with the Governmental Accounting Standards Board.

Internal department analysis of what is happening can take account of the specifics – so and so is really working on x even though their unit works on y. A department may even have put in place new systems to collect certain types of information otherwise unavailable or to classify and regroup information that is collected. They can adjust the numbers for one time events or for inflation. These systems and the information and analysis they support are terrific management tools. When reporting is made to outside agencies and the general public, however, the public agency has some obligation to explain what is included in the numbers and what is not included and how financial data can be reconciled with the Department's official financial statements. SHDT staff have put together excellent tables and graphics in support of testimony before legislative committees. Not always clear, however, is the derivation of the numbers. How exactly do these numbers relate to similar numbers in other financial reports? How can the numbers be tied to the audit?

We have sought to provide in one place the relevant data on SHTD revenues and expenditures. In truth, we have only scratched the surface. Clearly, much more study could be given to the flow of federal funds to New Mexico from the Federal Highway Administration. How exactly are New Mexico's apportionments determined? Are there ways to increase the flow of funds? Are there special grant programs for which states are eligible but need to apply? Does the federal money pledged or used to pay debt service for bonds issued under the GARVEE Bond program simply come out of money that would have flowed to New Mexico anyway? What determines the amount of the local match? What are the options in terms of how the funds may be utilized? What portion(s) of the money must go for construction? As the FHWA uses the term, what types of activities constitute "construction" and what is considered "maintenance"?

SHTD is currently engaged in an ambitious construction program to upgrade and expand New Mexico's road transportation network. That effort is largely funded with federal dollars, including the State's future apportionments from the FHWA. What are the specific projects that SHTD has undertaken over the past few years and what projects have priority for future spending? Where are they? What were/are these projects designed to accomplish? How much did/will they cost? What were the sources of funding? How were these projects selected and why were they given priority? To what extent did these projects involve adding new capacity (lane miles)? How will these projects affect future spending needs? What difference will these road projects make – to particular communities, to NM as a whole?

This report pulls together financial data on the SHTD from a variety of sources, discusses the limitations of the existing data and makes recommendations to improve data collection and reporting. Major decisions are being made regarding the allocation of public resources. Our decision-makers and the general public need better information.

Appendix A:

Transfers

Appendix A

TRANSFERS TO OTHER AGENCIES FROM SPECIAL REVENUE FUNDS

Fiscal Years Ending June 30	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Special Revenue Funds:										
Dept of Public Safety	-	-	-	-	-	-	-	-	4,802,900	5,161,700
General Services Department	-	-	-	831,000	654,400	-	-	-	44,787	183,272
Office of Cultural Affairs	-	-	-	-	-	-	-	-	-	513,027
Taxation and Revenue Dept.	8,070,400	9,541,400	12,724,900	12,975,800	13,939,800	14,496,600	14,823,800	15,032,000	-	-
Econ Devt & Tourism Dept	745,608	768,700	764,400	862,100	1,038,100	1,030,400	1,084,000	3,267,900	-	-
State Corp. Comm	923,400	945,500	1,007,700	1,010,100	1,070,800	1,077,200	1,155,784	1,188,000	-	-
State Transportation Authority	-	-	77,088	827,444	752,118	551,200	300,716	-	-	-
Office of Attorney General	-	-	-	100,000	-	-	-	-	-	-
Dept of Finance and Adm.	-	-	-	2,000,000	15,000	-	53,953	-	-	-
State Personnel Board	-	-	-	-	84,722	86,326	-	-	-	-
Governor's Office	-	-	-	-	-	14,120	10,000	12,580	-	-
Total Transfers	9,739,408	11,255,600	14,574,088	18,606,444	17,554,940	17,255,846	17,428,253	19,500,480	4,847,687	5,857,999

Source: New Mexico Highway and Transportation Department, Financial Statements and Other Financial Information (With Independent Auditors' Reports Thereon) Fiscal Years Ending June 30, 1990-2000.

Appendix B

Motor Fuel Taxes

Appendix B

MOTOR FUEL TAXES

GASOLINE TAX

Gasoline Tax Act
Chapter 7, Article 13 NMSA 1978
Distributions are per Chapter 7, Article 1, Section 6

Summary: A gasoline tax of $.17 per gallon is levied on all gasoline received in New Mexico for the privilege of its receipt in the state which is effective until July 1, 2003. The distributors (or importers) pay the gasoline tax.

Distribution of Gasoline Tax Receipts by Fund

	Percent	
Aviation Fund	0.26	(excluding penalties and interest)
Motorboat Fuel Tax Fund	0.13	
Municipalities and Counties	10.38	(excluding penalties and interest)
County Government Road Fund	5.76	
Municipal Road Fund	5.76	
Municipal Arterial Program	1.44	
Subtotal of Funds	23.73	
State Road Fund (balance)	76.27	
Total	100.00	

7-13-2.1 Gasoline Receipt
A. Gasoline that is produced, refined, manufactured, blended or compounded at a refinery in this state or stored at a pipeline terminal in this state by a person is received by that person when it is loaded there into tank cars, tank trucks, tank wagons or other types of transportation equipment, or when it is placed there into a tank or other container from which sales or deliveries not involving transportation are made; however:

(1) when gasoline is delivered at the refinery or pipeline terminal to a person registered as a distributor pursuant to the Gasoline Tax Act [this article], then it is received there by the distributor to whom it is delivered at the time of the delivery;

(2) when gasoline is delivered at the refinery or pipeline terminal to a person not registered as a distributor pursuant to the Gasoline Tax Act for the account of a person that is registered as a distributor, it is received there by the distributor for whose account it is delivered at the time of delivery; and

(3) gasoline is not received when it is shipped from one refinery or pipeline terminal to another refinery or pipeline terminal.

B. Gasoline imported into New Mexico by any means other than in the fuel supply tank of a motor vehicle or by pipeline is received at the time and place it is imported into this state. The person who owns the gasoline at the time of importation receives the gasoline at the time and place of importation unless the gasoline is delivered to a person who is registered as a distributor pursuant to the Gasoline Tax Act, in which case the distributor is deemed to have received the gasoline at the time and place of importation.

C. Any product other than gasoline that is blended in this state to produce gasoline other than at a refinery or pipeline terminal is received by the person who is the owner of the gasoline at the time and place the blending is completed.

D. If gasoline is received within the exterior boundaries of an Indian reservation or pueblo grant and the gasoline tax is not paid with respect to the gasoline by the person receiving the gasoline within the exterior boundaries of the Indian reservation or pueblo grant, the gasoline is also received when the gasoline is transported off the reservation or pueblo grant by any means other than in the fuel supply tank of a motor vehicle. In such a case, the person who owns the gasoline immediately after the time of transportation off the reservation or pueblo grant or, if the gasoline is delivered to a person registered as a distributor pursuant to the Gasoline Tax Act, the distributor receives the gasoline at the time and place the gasoline is transported off the reservation or pueblo grant.

7-13-3.1 Gasoline Inventory Tax
A gasoline inventory tax is imposed measured by the quantity of gallons of gasoline in the possession of a distributor or wholesaler on the day in which an increase in the imposed excise tax is effective. The taxable event is the existence of

an inventory in the possession of a distributor or wholesaler on the day prior to the day in which an increase in the imposed excise tax is effective. The rate of the gasoline inventory tax to apply on each gallon of gasoline held in inventory by a distributor or wholesaler shall be the difference between the gasoline excise tax rate imposed on the day prior to the day in which the gasoline excise tax is increased subtracted from the gasoline excise tax rate imposed on the day that the gasoline excise tax rate increase is effective, expressed in cents per gallon.

7-13-3.2 Gasoline Inventories
On the day prior to the day that the imposed excise tax is increased, each distributor, wholesaler and retailer shall take inventory of the gallons of gasoline on hand. Distributors and wholesalers shall report total gallons of gasoline in inventory on the day prior to the day that an increase in the gasoline tax rate is effective and pay any imposed tax due. Retailers shall maintain a record of the total gallons of gasoline in inventory on the day prior to the day that an increase in the gasoline tax rate is effective and shall not increase the price of the gasoline sold until the inventory is disposed of in the ordinary course of business.

7-13-4. Gasoline Tax Deductions
In computing the gasoline tax due, the following amounts of gasoline may be deducted from the total amount of gasoline received in New Mexico during the tax period, provided satisfactory proof thereof is furnished to the department:

A. gasoline received in New Mexico, but exported from this state by a rack operator, distributor or wholesaler other than in the fuel supply tank of a motor vehicle or sold for export by a rack operator or distributor; provided that, in either case:

(1) the person exporting the gasoline is registered in or licensed by the destination state to pay that state's gasoline or equivalent fuel tax;

(2) proof is submitted that the destination state's gasoline or equivalent fuel tax has been paid or is not due with respect to the gasoline; or

(3) the destination state's gasoline or equivalent fuel tax is paid to New Mexico in accordance with the terms of an agreement entered into pursuant to Section 9-11-12 NMSA 1978 with the destination state;

B. gasoline received in New Mexico sold to the United States or any agency or instrumentality thereof for the exclusive use of the United States or any agency or instrumentality thereof. Gasoline sold to the United States includes gasoline delivered into the supply tank of a government-licensed vehicle of the United States;

C. gasoline received in New Mexico sold to an Indian nation, tribe or pueblo or any political subdivision, agency or instrumentality of that Indian nation, tribe or pueblo for the exclusive use of the Indian nation, tribe or pueblo or any political subdivision, agency or instrumentality thereof. Gasoline sold to an Indian nation, tribe or pueblo includes gasoline delivered into the supply tank of a government-licensed vehicle of the Indian nation, tribe or pueblo;

D. gasoline received in New Mexico, dyed in accordance with department regulations and used in any manner other than for propulsion of motor vehicles on the highways of this state or motorboats or activities ancillary to that propulsion;

E. gasoline received in New Mexico and sold at retail by a registered Indian tribal distributor if:

(1) the sale occurs on the Indian reservation, pueblo grant or trust land of the distributor's Indian nation, tribe or pueblo;

(2) the gasoline is placed into the fuel supply tank of a motor vehicle on that reservation, pueblo grant or trust land; and

(3) the Indian nation, tribe or pueblo has certified to the department that it has in effect an excise, privilege or similar tax on the gasoline; provided that the volume of gasoline deducted pursuant to this subsection shall be the total gallons sold in accordance with the provisions of this subsection multiplied by a fraction the numerator of which is the rate of the tribal tax certified to the department by the Indian nation, tribe or pueblo and the denominator of which is the rate of the gasoline tax imposed pursuant to the Gasoline Tax Act (this article), but if the fraction exceeds one, it shall be one for purposes of determining the deduction;
and

F. gasoline received in New Mexico and sold by a registered Indian tribal distributor from a nonmobile storage container located within that distributor's Indian reservation, pueblo grant or trust land for resale outside that distributor's Indian reservation, pueblo grant or trust land; provided the department certifies that the distributor claiming the deduction sold no less than one million gallons of gasoline from a nonmobile storage container located within that distributor's Indian reservation, pueblo grant or trust land for resale outside that distributor's Indian reservation, pueblo grant or trust land

during the period of May through August 1998; and provided further that the amount of gasoline deducted by a registered Indian tribal distributor pursuant to this subsection shall not exceed two million five hundred thousand gallons per month, calculated as a monthly average during the calendar year. Volumes deducted pursuant to Subsection E of this section shall not be deducted pursuant to this subsection.

7-13-4.4. Additional deduction; certain retail sales on an Indian reservation, pueblo grant or trust land.

In computing the gasoline tax due, a person other than a registered Indian tribal distributor may deduct from the total amount of gasoline received in New Mexico during the tax period, provided satisfactory proof is provided to the department, gasoline received in New Mexico and sold at retail in New Mexico if:

A. the sale occurs on an Indian reservation, pueblo grant or trust land;

B. the gasoline is placed into the fuel supply tank of a motor vehicle on that reservation, pueblo grant or trust land;

C. the Indian nation, tribe or pueblo has certified to the department that it has in effect an excise, privilege or similar tax on gasoline; provided that the gallons of gasoline deducted pursuant to this section shall be the total gallons sold in accordance with the provisions of this section multiplied by a fraction, the numerator of which is the rate of the tribal tax certified to the department by the Indian nation, tribe or pueblo and the denominator of which is the rate of the gasoline tax imposed pursuant to the Gasoline Tax Act, (Chapter 7, Article 13 NMSA 1978) but, if the fraction exceeds one, the fraction shall be deemed to be one for purposes of determining the deduction; and

D. the person is subject to and in compliance with the tax on gasoline imposed by the Indian nation, tribe or pueblo where the sale occurs.

SPECIAL FUELS TAX

Special Fuels Supplier Tax Act
Chapter 7, Article 16A NMSA 1978
Distributions per Chapter 7, Article 1, Section 6

Summary: A Special Fuels Tax of $.18 per gallon is imposed on special fuel used in vehicles registered to travel on New Mexico highways. The State Road Fund receives 88.89% and the Local Government Road Fund 11.11% (less penalties and interest) of the receipts from the tax. The special fuel tax is imposed on distributors and importers of special fuel. The tax is passed forward to the pump and thus immediately to consumers. Refunds of money paid in excess of special fuel and weight-distance tax liabilities are allowed.

7-16A-2.1. Special Fuels Receipt

A. A rack operator receives special fuel at the time and place when the rack operator first loads the special fuel at the refinery or pipeline terminal into tank cars, tank trucks, tank wagons or any other type of transportation equipment or when the rack operator places the special fuel into any tank or other container in this state from which sales or deliveries not involving transportation are made. A rack operator who receives special fuel is required to pay special fuel excise tax on the special fuel received, except as provided otherwise in Subsection B of this section. Special fuel is not received when it is shipped from one refinery or pipeline terminal to another refinery or pipeline terminal.

B. When the rack operator first loads special fuel at the refinery or pipeline terminal into tank cars, tank trucks, tank wagons or any other type of transportation equipment for the account of another person who is registered with the department as a supplier and is taxable under the Special Fuels Supplier Tax Act (this article), however, that person receives the special fuel and is required to pay the special fuel excise tax.

C. Special fuel imported into New Mexico by any means other than in the supply tank of a motor vehicle or by pipeline is received at the time and place it is imported into this state. The person who owns the special fuel at the time of importation receives the special fuel and is required to pay the special fuel excise tax.

D. If special fuel is received within the exterior boundaries of an Indian reservation or pueblo grant and the person required to pay the special fuel excise tax is immune from state taxation, the special fuel is also received when the special fuel is transported off the reservation or pueblo grant by any means other than in the fuel supply tank of a motor vehicle or by pipeline. Any person who owns special fuel after the special fuel is transported off the reservation or pueblo grant receives the special fuel and is the person required to pay the special fuel excise tax, unless the special fuel excise tax has been paid by a previous owner.

E. Special fuel is used in New Mexico when it is put into the supply tank of any motor vehicle registered, owned or operated by a special fuel user, consumed by a special fuel user in the propulsion of a motor vehicle on the highways of this state or any activity ancillary to that propulsion, or imported into the state in the fuel supply tank of any motor vehicle for the propulsion of the motor vehicle on New Mexico highways.

7-16A-4. Special Fuel Inventory Tax

A "special fuel inventory tax" is imposed measured by the quantity of gallons of special fuel in the possession of a supplier or bulk storage user on the day in which an increase in the special fuel excise tax rate is effective. The taxable event is the existence of an inventory in the possession of a supplier or bulk storage user on the day prior to the day in which an increase in the special fuel excise tax rate is effective. The rate of the special fuel inventory tax applicable to each gallon of special fuel held in inventory by a supplier or bulk storage use, as provided in Section 5 [7-16A-5 NMSA 1978] of the Special Fuels Supplier Tax Act, shall be the difference between the special fuel excise tax rate imposed on the day prior to the day in which the special fuel excise tax rate is increased, subtracted from the special fuel excise tax rate imposed on the day in which the special fuel excise tax rate increase is effective, expressed in cents per gallon.

7-16A-5. Special Fuel Inventories

A. On the day prior to the day in which the special fuel excise tax rate is increased or decreased, each supplier, dealer and bulk storage user shall take inventory of the gallons of special fuel on hand.

B. Suppliers and bulk storage users shall report total gallons of special fuel in inventory on the day prior to the day in which an increase in the special fuel excise tax rate is effective and pay any special fuel inventory tax due.

C. Dealers shall maintain a record of the total gallons of special fuel in inventory on the day prior to the day in which an increase or decrease in the special fuel excise tax rate is effective and shall not increase or reduce the price of the special fuel sold until the inventory is disposed of in the ordinary course of business.

7-16A-10. Special Fuel Deductions
In computing the tax due, the following amounts of special fuel may be deducted from the total amount of special fuel received in New Mexico during the tax period, provided that satisfactory proof thereof is furnished to the department:

A. special fuel received in New Mexico, but exported from this state by a rack operator, special fuel supplier or dealer, other than in the fuel supply tank of a motor vehicle or sold for export by a rack operator or distributor; provided that, in either case:

(1) the person exporting the special fuel is registered in or licensed by the destination state to pay that state's special fuel or equivalent fuel tax;

(2) proof is submitted that the destination state's special fuel or equivalent fuel tax has been paid or is not due with respect to the special fuel; or

(3) the destination state's special fuel or equivalent fuel tax is paid to New Mexico in accordance with the terms of an agreement entered into pursuant to Section 9-11-12 NMSA 1978 with the destination state;

B. special fuel sold to the United States or any agency or instrumentality thereof for the exclusive use of the United States or any agency or instrumentality thereof. Special fuel sold to the United States includes special fuel delivered into the supply tank of a government-licensed vehicle;

C. special fuel sold to the state of New Mexico or any political subdivision, agency or instrumentality thereof for the exclusive use of the state of New Mexico or any political subdivision, agency or instrumentality thereof. Special fuel sold to the state of New Mexico includes special fuel delivered into the supply tank of a government-licensed vehicle;

D. special fuel sold to an Indian nation, tribe or pueblo or any agency or instrumentality thereof for the exclusive use of the Indian nation, tribe or pueblo or any agency or instrumentality thereof. Special fuel sold to an Indian nation, tribe or pueblo includes special fuel delivered into the supply tank of a government-licensed vehicle;

E. special fuel sold to the holder of a special bulk storage user permit and delivered into special bulk storage pursuant to the provisions of Section 7-16A-8 NMSA 1978; and

F. special fuel dyed in accordance with federal regulations and used in any manner other than for propulsion of motor vehicles on the highways of this state or activities ancillary to that propulsion.

PETROLEUM PRODUCTS LOADING FEE

Petroleum Products Loading Fee Act
Chapter 7, Article 13A NMSA 1978

Summary: The Petroleum Products Loading Fee enacted by the 1990 legislature addresses contamination of ground water by leaks from underground petroleum storage tanks. The fee is $40.00 per load (8,000 gallons) filled from a refinery rack or pipeline terminal. The imposed fee depends on the balance in the Corrective Action Fund. This is equivalent to $0.01 per gallon which is paid by distributors of petroleum products, whether gasoline or special fuel. The Local Government Road Fund is the recipient of 100% of the net receipts attributed to the Petroleum Products Loading Fee. The remaining balance, if any, goes to the Corrective Action Fund.

For the privilege of importing gasoline or special fuel into this state for resale or consumption in this state, or for the privilege of loading gasoline or special fuel from a rack at a refinery or pipeline terminal in this state into a cargo tank, a fee is imposed on the distributor on each gallon of gasoline or special fuel loaded in New Mexico. The fee imposed is ($150) per load or whichever of the following applies:

If the unobligated balance of the Corrective Action Fund at the end of the prior fiscal year:

1) equals or exceeds $18,000,000, the fee is $40.00 per load;

2) exceeds $12,000,000 but is less than $18,000,000, the fee is $80.00 per load;
3) exceeds $6,000,000 but is less than $12,000,000, the fee is $120 per load;
4) is less than six million dollars $6,000,000, the fee shall be set at $150 per load.

7-13A-4. Exemptions

A. Petroleum products that are either loaded into cargo tanks in New Mexico and exported for resale and consumption outside of New Mexico or are imported into New Mexico and subsequently exported for resale and consumption outside of New Mexico are exempt from the imposition of the petroleum products loading fee.

B. Petroleum products sold to the United States or any agency or instrumentality thereof for the exclusive use of the United States or any agency or instrumentality thereof are exempt from the imposition of the petroleum products loading fee.

7-13A-5. Deductions; Gasoline or Special Fuels Returned

Refunds and allowances made to buyers for gasoline or special fuels returned to the refiner, pipeline terminal operator or distributor or amounts of gasoline or special fuels, the payment for which has not been collected and has been determined to be uncollectible pursuant to provisions of regulations issued by the secretary may be deducted from gallons used to determine loads for the purposes of calculating the petroleum products loading fee. If such a payment is subsequently collected, the gallons represented shall be included in determining loads. The deduction under the provisions of this section shall not be allowed if the petroleum products loading fee has not been paid previously on the petroleum products that were returned to the seller or the sale of which created an uncollectible debt.

Appendix C

FHWA State by State Comparisons

Table C1

STATE MOTOR-FUEL TAX RATES, 1984 - 1999 1/

GASOLINE

OCTOBER 2000 (CENTS PER GALLON)

STATE	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Alabama	13	13	13	13	13	13	13	13	18	18	18	18	18	18	18	18
Alaska	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Arizona	13	13	16	16	17	17	18	18	18	18	18	18	18	18	18	18
Arkansas	9.5	10.5	13.5	13.5	13.5	13.7	13.7	18.7	18.7	18.7	18.7	18.7	18.6	18.6	18.6	19.5
California	9	9	9	9	9	9	9	15	16	17	18	18	18	18	18	18
Colorado	12	12	18	18	18	20	20	22	22	22	22	22	22	22	22	22
Connecticut	15	16	17	19	20	20	22	25	26	29	31	34	38	36	32	32
Delaware	11	11	13	16	16	16	16	19	19	22	22	23	23	23	23	23
Dist. of Col.	15.5	15.5	15.5	15.5	15.5	18	18	18	20	20	20	20	20	20	20	20
Florida	9.7	9.7	9.7	9.7	9.7	9.7	10.9	11.2	11.6	11.8	12.1	12.3	12.5	12.8	13	13.1
Georgia	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Hawaii	8.5	11	11	11	11	11	11	16	16	16	16	16	16	16	16	16
Idaho	14.5	14.5	14.5	14.5	18	18	18	21	21	21	21	21	25	25	25	25
Illinois	12	13	13	13	13	16	19	19	19	19	19	19	19	19	19	19
Indiana	11.1	14	14	14	15	15	15	15	15	15	15	15	15	15	15	15
Iowa	13	15	16	16	18	20	20	20	20	20	20	20	20	20	20	20
Kansas	11	11	11	11	11	15	16	17	18	18	18	18	18	18	18	20
Kentucky	10	10	15	15	15	15	15.4	15.4	15.4	15.4	16.4	16.4	16.4	16.4	16.4	16.4
Louisiana	16	16	16	16	16	16	20	20	20	20	20	20	20	20	20	20
Maine	14	14	14	14	16	17	17	19	19	19	19	19	19	19	19	19
Maryland	13.5	13.5	13.5	18.5	18.5	18.5	18.5	18.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5
Massachusetts	11	11	11	11	11	11	17	21	21	21	21	21	21	21	21	21
Michigan	15	15	15	15	15	15	15	15	15	15	15	15	15	19	19	19
Minnesota	17	17	17	17	20	20	20	20	20	20	20	20	20	20	20	20
Mississippi	9	9	9	15	17	17	18.2	18.2	18.2	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Missouri	7	7	7	11.03	11.03	11.03	11.03	11.03	13.03	13.03	15	15	17	17	17	17
Montana	15	15	17	20	20	20	20	20	21.4	24	27	27	27	27	27	27
Nebraska	14.7	17.4	17.1	17.9	18.3	22.3	21.7	23.7	24.6	24.4	25.4	25.4	25.9	24.5	23.5	22.8
Nevada	12	13	13	16	18	18	18	21.5	24	24	24	24	24	24.75	24.75	24.75
New Hampshire	14	14	14	14	14	14	16.6	18.6	18.6	18.7	18.7	18.7	18.7	18.7	19.5	19.5
New Jersey	8	8	8	8	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5
New Mexico	11	11	11	14	14	16	17	17	17	23	21	18	18.875	18.875	18.5	18.5
New York	8	8	8	8	8	8	14.375	20.815	22.89	22.89	22.56	21.92	21.79	22.8	22.65	29.3
North Carolina	12	12	15.5	15.5	15.7	20.9	21.5	22.6	21.9	22	21.3	21.6	21.7	22.6	21.6	21.2
North Dakota	13	13	13	13	17	17	17	17	17	18	18	18	20	20	20	21
Ohio	12	12	12	14.7	14.8	18	20	21	21	22	22	22	22	22	22	22
Oklahoma	9	10	10	16	16	17	17	17	17	17	17	17	17	17	17	17
Oregon	9	10	11	12	14	16	18	20	22	24	24	24	24	24	24	24
Pennsylvania	12	12	12	12	12	12	18.2	22.35	22.35	22.35	22.35	22.35	22.35	25.9	25.9	25.9
Rhode Island	13	13	15	15	15	18	20	26	26	28	29	29	29	29	29	29
South Carolina	13	13	13	15	15	16	16	16	16	16	16	16	16	16	16	16
South Dakota	13	13	13	13	18	18	18	18	18	18	18	18	18	21	18	22
Tennessee	10	13	17	17	17	20	20	20	20	20	20	20	20	20	20	20
Texas	10	10	10	15	15	15	15	20	20	20	20	20	20	20	20	20
Utah	14	14	14	19	19	19	19	19	19	19	19	19	19	24.5	24.5	24.5
Vermont	13	13	13	13	13	16	16	16	16	16	16	16	16	20	20	20
Virginia	11	11	15	17.5	17.5	17.7	17.7	17.7	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Washington	18	18	18	18	18	18	22	23	23	23	23	23	23	23	23	23
West Virginia	15.35	15.35	15.35	15.35	15.35	20.35	20.35	20.35	20.35	25.35	25.35	25.35	25.35	25.35	25.35	25.35
Wisconsin	16	16.5	17.5	20	20.9	20.8	21.5	22.2	22.2	23.2	23.1	23.4	23.7	23.8	25.4	25.4
Wyoming	8	8	8	8	8	9	9	9	9	9	9	9	9	9	14	14
State Average 2/	10.58	11.08	11.78	12.75	13.42	14.19	15.47	17.55	17.99	18.34	18.51	18.50	18.67	19.05	19.96	19.29

Federal Highway Administration, Highway Statistics 1999

11 states lower than Nov

Table C2
STATE MOTOR-FUEL TAX RATES, 1984 - 1999 1/
DIESEL

OCTOBER 2000 (CENTS PER GALLON)

STATE	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Alabama	14	14	14	14	14	14	14	14	19	19	19	19	19	19	19	19
Alaska	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Arizona	13	13	16	16	17	17	18	18	18	18	18	18	18	18	27	27
Arkansas	10.5	12.5	12.5	12.5	12.5	12.7	12.7	18.7	18.7	18.7	18.7	18.7	18.6	18.6	18.6	20.5
California	9	9	9	9	9	9	9	15	16	17	18	18	18	18	18	18
Colorado	13	13	20.5	20.5	20.5	20.5	18	18	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5
Connecticut	15	16	17	19	20	20	22	18	18	18	18	18	18	18	18	18
Delaware	11	11	13	16	16	16	16	19	19	19	19	22	22	22	22	22
Dist. of Col.	15.5	15.5	15.5	15.5	15.5	18	18	18	20	20	20	20	20	20	20	20
Florida	9.7	9.7	9.7	14.7	9.7	9.7	10.9	12.2	18.7	21	23.6	23.9	24.2	24.6	25	25.1
Georgia	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Hawaii	8.5	11	11	11	11	11	11	16	16	16	16	16	16	16	16	16
Idaho	14.5	14.5	14.5	14.5	18	18	18	21	21	21	21	21	25	25	25	25
Illinois	14.5	15.5	15.5	15.5	15.5	18.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
Indiana	11.1	15	15	15	16	16	16	16	16	16	16	16	16	16	16	16
Iowa	15.5	16.5	17.5	18.5	20.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
Kansas	13	13	13	13	13	17	18	19	20	20	20	20	20	20	20	22
Kentucky	10	10	12	12	12	12	12.4	12.4	12.4	12.4	13.4	13.4	13.4	13.4	13.4	13.4
Louisiana	16	16	16	16	16	16	20	20	20	20	20	20	20	20	20	20
Maine	14	14	14	14	19	20	20	20	20	20	20	20	20	20	20	20
Maryland	13.5	13.5	13.5	18.5	18.5	18.5	18.5	18.5	19.25	24.25	24.25	24.25	24.25	24.25	24.25	24.25
Massachusetts	11	11	11	11	11	11	17	21	21	21	21	21	21	21	21	21
Michigan	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Minnesota	17	17	17	17	20	20	20	20	20	20	20	20	20	20	20	20
Mississippi	10	10	10	15	17	17	18.2	18.2	18.2	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Missouri	7	7	7	11	11	11	11	11	13	13	15	15	17	17	17	17
Montana	17	17	17	20	20	20	20	20	21.4	24	27.75	27.75	27.75	27.75	27.75	27.75
Nebraska	14.7	17.4	17.1	17.9	18.3	22.1	21.5	23.5	24..8	24	25	25	25.5	24.5	23.5	22.8
Nevada	12	13	13	17	20	20	22	24.5	27	27	27	27	27	27.75	27.75	27.75
New Hampshire	14	14	14	14	14	14	16.6	18.6	18.6	18.7	18.7	18.7	18.7	18.7	19.5	19.5
New Jersey	8	11	11	11	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
New Mexico	11	11	11	16	16	16	17	17	17	19	19	19	19.875	19.875	19.5	19.5
New York	10	10	10	10	10	10	16.325	22.765	24.84	24.84	24.51	23.87	23.74	22.65	21.85	27.95
North Carolina	12	12	15.5	15.5	15.7	20.9	21.5	22.6	21.9	22	21.3	21.6	21.7	22.6	21.6	21.2
North Dakota	13	13	13	17	17	17	17	17	17	18	18	18	20	20	20	21
Ohio	12	12	12	14.7	14.8	18	20	21	21	22	22	22	22	22	22	22
Oklahoma	9	10	10	13	13	14	14	14	14	14	14	14	14	14	14	14
Oregon	9	10	11	12	14	16	18	20	22	24	24	24	24	24	24	24
Pennsylvania	12	12	12	12	12	12	18.2	22.35	22.35	22.35	22.35	22.35	22.35	30.8	30.8	30.8
Rhode Island	13	13	15	15	15	18	20	26	26	28	29	29	29	29	29	29
South Carolina	13	13	13	15	15	16	16	16	16	16	16	16	16	16	16	16
South Dakota	13	13	13	13	18	18	18	18	18	18	18	18	18	21	18	22
Tennessee	13	13	15	15	15	16	17	17	17	17	17	17	17	17	17	17
Texas	10	10	10	15	15	15	15	20	20	20	20	20	20	20	20	20
Utah	14	14	14	19	19	19	19	19	19	19	19	19	19	24.5	24.5	24.5
Vermont	14	14	14	14	14	17	17	17	17	17	17	17	17	17	17	17
Virginia	11	11	15	16	16	16.2	16.2	16.2	16	16	16	16	16	16	16	16
Washington	18	18	18	18	18	18	22	23	23	23	23	23	23	23	23	23
West Virginia	15.35	15.35	15.35	15.35	15.35	20.35	20.35	20.35	20.35	25.35	25.35	25.35	25.35	25.35	25.35	25.35
Wisconsin	16	16.5	17.5	20	20.9	20.8	21.5	22.2	22.2	23.2	23.1	23.4	23.7	23.8	25.4	25.4
Wyoming	0	0	8	8	8	9	9	9	9	9	9	9	9	9	14	14
State Average 2/	11.38	11.62	12.09	13.34	13.98	14.76	16.00	17.64	18.32	18.62	18.93	18.98	18.99	19.50	20.15	19.96

1/ This table shows the tax rates for motor fuel as of December 31 for each year.
2/ Weighted average based on net gallons taxed.

Table C3

TAX RATES ON MOTOR FUEL - 1999[1]

TABLE MF-121T

OCTOBER 2000 (CENTS PER GALLON) SHEET 1 OF 2

STATE	GASOLINE		DIESEL		LIQUEFIED PETROLEUM GAS		GASOHOL 2/		
	RATE	EFFECTIVE DATE	RATE	EFFECTIVE DATE	RATE	EFFECTIVE DATE	RATE	EFFECTIVE DATE	EXEMPTION
Alabama *	18	06/01/92	19	06/01/92	17	06/01/92	18	06/01/92	-
Alaska	8	07/01/61	8	07/01/61	-	-	-	-	8
Arizona *	18	07/01/90	27	07/01/90	18	07/01/90	18	07/01/90	-
Arkansas *	18.8	07/01/96	18.6	07/01/96	16.5	04/01/91	18.6	07/01/96	-
	19.5	07/01/99	20.5	04/01/99					
California *	18	01/01/94	18	01/01/94	6	01/01/76	18	01/01/94	-
Colorado *	22	01/01/91	20.5	01/01/92	20.5	01/01/92	22	01/01/91	-
Connecticut *	32	07/01/98	18	09/01/91	-	07/01/96	31	07/01/98	1
Delaware *	23	01/01/95	22	01/01/95	22	01/01/95	23	01/01/95	-
Dist. of Col.	20	10/01/94	20	10/01/94	20	10/01/94	20	10/01/94	-
Florida *	13.1	01/01/99	25.1	01/01/99	16.0	01/01/98	13.1	01/01/99	-
Georgia	7.5	07/01/71	7.5	07/01/71	7.5	07/01/71	7.5	07/01/71	-
Hawaii	16	07/01/91	16	07/01/91	11	07/01/91	16	07/01/91	-
Idaho *	25	04/01/96	25	04/01/96	18.1	04/01/96	22.5	07/01/94	2.5
Illinois *	19	01/01/90	21.5	01/01/90	19	01/01/90	19	01/01/90	-
Indiana *	15	04/01/88	16	04/01/88	-	-	15	04/01/88	-
Iowa	20	01/01/89	22.5	01/01/89	20	01/01/89	19	01/01/89	1
Kansas *	18	07/01/92	20	07/01/92	17	07/01/92	18	07/01/92	-
	20	07/01/99	22	07/01/99	19	07/01/99	20	07/01/99	
Kentucky *	16.4	07/15/94	13.4	07/15/94	15	07/01/86	16.4	07/15/94	-
Louisiana *	20	01/01/90	20	01/01/90	16	07/01/93	20	01/01/90	-
Maine	19	07/17/91	20	04/01/89	18	07/17/91	19	07/17/91	-
Maryland	23.5	05/01/92	24.25	07/01/93	23.5	07/01/93	23.5	05/01/92	-
Massachusetts *	21	01/01/91	21	01/01/91	8.1	10/01/98	21	01/01/91	-
Michigan *	19	08/01/97	15	01/01/84	15	01/01/84	19	08/01/97	^-
Minnesota *	20	05/01/88	20	05/01/88	15	07/01/95	20	05/01/88	-
Mississippi *	18.4	07/01/93	18.4	07/01/93	17	01/01/89	18.4	07/01/93	-
Missouri *	17	04/01/96	17	04/01/96	17	04/01/96	17	04/01/96	-
Montana *	27	07/01/94	27.75	07/01/94	-	-	27	07/01/94	-
Nebraska *	22.8	01/01/99	22.8	01/01/99	22.8	01/01/99	22.8	01/01/99	-
Nevada	24.75	01/01/97	27.75	01/01/97	^22	07/01/97	24.75	01/01/97	-
New Hampshire *	19.5	07/01/95	19.5	07/01/95	18	06/16/91	19.5	07/01/95	-
New Jersey *	10.5	07/01/88	13.5	07/01/88	5.25	07/01/88	10.5	01/01/92	-
New Mexico *	18.5	10/01/98	19.5	10/01/98	-	-	18.5	10/01/98	-
New York *	22.05	01/01/99	21.20	01/01/99	8	10/01/90	22.05	01/01/99	-
	28.9	07/01/99	27.65	07/01/99			28.9	07/01/99	
	29.3	10/01/99	27.95	10/01/99			29.3	10/01/99	
North Carolina *	21.2	01/01/99	21.2	01/01/99	21.2	01/01/99	21.2	01/01/99	-
North Dakota *	20	01/01/98	20	01/01/98	20	01/01/98	20	01/01/98	-
	21	07/01/99	21	07/01/99	21	07/01/99	21	07/01/99	
Ohio *	22	07/01/93	22	07/01/93	22	07/01/93	22	07/01/93	-
Oklahoma *	17	07/01/89	14	07/01/89	17	07/01/89	17	07/01/89	-
Oregon *	24	01/01/93	24	01/01/93	24	01/01/93	24	09/01/93	-
Pennsylvania *	25.9	05/01/97	30.8	10/01/97	18.9	10/01/97	25.9	10/01/97	-
Rhode Island *	29	07/08/94	29	07/08/94	29	07/08/94	29	07/08/94	-
South Carolina	16	01/01/89	16	01/01/89	16	01/01/89	16	01/01/91	-
South Dakota *	18	10/01/98	18	10/01/98	16	10/01/98	16	10/01/98	2
	22	04/01/99	22	04/01/99	20	04/01/99	20	04/01/99	
Tennessee *	20	04/01/89	17	04/01/90	14	04/01/89	20	04/01/89	-
Texas *	20	10/01/91	20	10/01/91	15	01/01/87	20	10/01/91	-
Utah *	24.5	07/01/97	24.5	07/01/97	24.5	07/01/97	24.5	07/01/97	^-
Vermont *	20	08/01/97	17	07/01/89	-	-	20	08/01/97	^-
Virginia *	17.5	07/01/92	16	07/01/92	10	01/01/94	17.5	07/01/92	-
Washington *	23	04/01/91	23	04/01/91	-	-	^23	05/01/94	^-
West Virginia *	25.35	05/01/93	25.35	05/01/93	25.35	05/01/93	25.35	05/01/93	-
Wisconsin *	25.4	04/01/98	25.4	04/01/98	25.4	04/01/98	25.4	04/01/98	-
Wyoming *	14	07/01/98	14	07/01/98	-	-	14	07/01/98	-
Mean	20.17		20.37		14.80		19.87		
Weighted Avg.	19.29		19.96		14.28		20.40		
Federal Tax	18.4	10/01/97	24.4	10/01/97	13.6	10/01/97	13.0	10/01/97	5.4

Table C4

TAX RATES ON MOTOR FUEL - 1999[1]

TABLE MF-121T
SHEET 2 OF 2

OCTOBER 2000

STATE	SALES TAX	
	PERCENT	REMARKS
Alabama	4	Applies to fuel not taxable under volume tax laws.
Arizona	5	Applies to fuel not taxed under the motor-fuel or use-fuel taxes. Liquefied petroleum gas sold, used or stored in State is exempt.
Arkansas	4.5	Special fuel tax exempted buses and gasoline are exempt.
California	6	Applies to sales price including Federal and State motor-fuel taxes.
Colorado	3	Applies to fuel not taxable under volume tax laws.
Connecticut	*5	A Petroleum Products Gross Earnings tax is applied to many petroleum products, in addition to the per gallon taxes shown on Sheet 1.
Dist. of Col.	5.75	Applies to fuel not taxable under volume tax laws.
Georgia	4	A 3-percent "second motor-fuel tax" and a 1-percent sales tax apply to sales price including Federal motor-fuel tax.
Hawaii	4	Applies to sales price excluding Federal and State motor-fuel taxes. Alcohol fuels are exempt.
Idaho	5	Fuels subject to the motor fuel volume tax are exempt.
Illinois	6.25	Applies to sales price excluding Federal and State motor-fuel taxes. For gasohol, only 70 percent of the price is subject to sales tax.
Indiana	5	Applies to sales price excluding Federal and State motor-fuel taxes.
Iowa	5	Applies to fuel not taxable under fuel tax laws, including those fuels taxable, then subject to refund.
Kansas	4.9	Applies to fuels not taxable under the volume tax laws.
Kentucky	6	Applies to sales price, exclusive of Federal tax, of fuels not taxable under the volume tax laws.
Louisiana	4	Fuels subject to volume tax are exempt. Gasohol is exempt if alcohol produced in State.
Maine	6	Applies to motor fuel not taxed at the maximum rate for highway use under the volume tax laws.
Maryland	5	Applies to motor fuel not taxed under other Maryland laws.
Massachusetts	5	Applies to fuels not taxable under the volume tax laws.
Michigan	6	Applies to sales price including Federal volume tax except when used in a passenger vehicle with capacity of 10 or more for hire over regularly scheduled routes in State.
Minnesota	6	Applies to fuels not taxable under the volume tax laws.
Nebraska	5	Gasoline is exempt. Diesel and alternative fuels subject to the volume tax are exempt.
New Mexico	5	Applies to fuels not taxable under the volume tax laws. Ethanol blends deductible under the gasoline tax laws are exempt.
New York	4	Applies to sales price including Federal motor-fuel tax.
North Dakota	5	Applies to fuel not taxable under the volume tax laws.
Ohio	6	Applies to fuels not taxable under the volume tax laws.
Oklahoma	4.5	Applies to fuels not taxable under the volume tax laws.
Pennsylvania	6	Applies to fuels not taxable under the volume tax laws.
South Carolina	5	Applies to sales price of aviation gasoline only.
South Dakota	4	Applies to fuels not taxable under the volume tax laws.
Tennessee	6	Gasoline on which the volume tax has been paid and not refunded and motor fuel subject to the use fuel tax are exempt.
Texas	6.25	Applies to fuels not taxed or exempted under other laws.
Utah	4.875	Applies to fuels not taxable under the volume tax laws.
Washington	6.5	Applies fuels not taxable under the volume tax laws. Certain providers of public transportation of handicapped persons are exempt.
Wisconsin	5	Applies to fuels not taxable under the volume tax laws.
Wyoming	4	Applies to sales price of LPG. Gasoline and diesel subject to volume tax are exempt.

1/ This table shows motor-fuel tax rates in effect as of January 1, and any subsequent changes that have occurred through the date shown in the title. Only taxes that are levied as a dollar amount per volume of motor fuel are included on sheet 1. Taxes that apply to all petroleum products without distinguishing motor fuel are omitted. Local option taxes are included only when they have been adopted uniformly Statewide. For States marked with an asterisk, see the notes below:

Alabama - The gasoline, gasohol, and diesel rates include a 2¢ per gallon inspection fee. Alabama-registered LPG vehicles pay an annual fee based on vehicle type in lieu of the volume tax.

Arizona-The fuel tax on diesel remains at 18 cents per gallon for light and exempt vehicles, but is set at 27 cents per gallon if used to propel a truck with more than two axles or with a declared gross vehicle weight over 26,000 pounds.

Arkansas - The gasoline, gasohol, and diesel rates include 0.2 ¢ per gallon Environmental Assurance Fee. Applicants for LPG user permits must pay a fee in lieu of the volume tax.

California - LPG users may pay an annual fee in lieu of the volume tax.

Colorado - Owners of LPG vehicles registered in the State must pay an annual fee in lieu of the volume tax.

Connecticut - The tax is computed at 5% of the gross earnings from the first sale of a petroleum product in the State.

Delaware - Rates are variable, adjusted annually.

Florida - Tax rates are variable, adjusted annually. For gasoline and gasohol, in addition to the rates shown, there is a State-imposed State Comprehensive Enhanced Transportation System (SCETS) tax that varies by county from 0-5.0¢ per gallon. All counties levy the SCETS tax on gasoline, but a few levy less than the maximum rate. LPG vehicles registered in the State pay an annual fee in lieu of the tax on alternative fuels and the SCETS tax.

Idaho - LPG users may pay an annual fee based on vehicle weight in lieu of volume tax.

Illinois - Motor carriers pay an additional 6.3¢ per gallon on gasoline, 6.5¢ on diesel, and 5.9¢ on LPG.

Indiana - Motor carriers pay an additional 11¢ per gallon. LPG vehicles pay an annual fee.

Kansas - LPG users may pay an annual fee based on mileage and gross vehicle weight in lieu of the volume tax.

Kentucky - Tax rates are variable, adjusted quarterly. A 2% surtax is imposed on gasoline and 4.7% on special fuels for any vehicle with 3 or more axles. The gasoline, gasohol, and diesel rates include 1.4¢ per gallon Petroleum Environmental Assurance Fee.

Louisiana - Owners of LPG vehicles of 10,000 pounds or less gross vehicle weight pay an annual fee based on mileage.

Massachusetts - Tax rates are variable, adjusted quarterly.

Michigan - For vehicles defined under the Motor Carrier Fuel Tax Act, diesel fuel is discounted 6 cents per gallon at the pump, and is assessed a 12 cents per gallons surcharge on a quarterly return, with a provision for a 6 cent per gallon refund on fuel purchased in Michigan.

Minnesota - There is a credit to the wholesaler of 15¢ per gallon of alcohol used to make gasohol.

Mississippi - The gasoline, gasohol, and diesel rates include 0.4¢ per gallon dedicated to the Groundwater Protection Trust Fund.

Missouri - LPG vehicles 18,000 pounds or less gross vehicle weight registered in the State pay an annual fee in lieu of the volume tax.

Montana - LPG vehicles registered in the State pay an annual fee based on gross weight in lieu of the volume tax. Out-of-State vehicles purchase trip permits. There is an alcohol distiller credit of 30¢ per gallon of alcohol produced in the State with State agricultural products and used to make gasohol.

Nebraska - Rates are variable, adjusted quarterly. The gasoline and gasohol include 0.2¢ per gallon and diesel rate includes 0.2¢ per gallon Petroleum Release Remedial Action Fee.

New Hampshire - The gasoline, gasohol, and diesel rates include 0.7¢ per gallon Oil Discharge and Disposal Cleanup Fee. Alternative fuel vehicles pay twice the usual registration fee in lieu of the volume tax.

New Jersey - In addition to the rates shown, there is a Petroleum Products Gross Receipts Tax. The tax is computed on a cents-per-gallon basis and is applicable to a wide variety of petroleum products

New Mexico - The gasoline, gasohol, and diesel rates include the Petroleum Products Loading Fee of $150 per 8,000 gallons (1.875¢ per gallon). Rate was $80 per 8,000 gallons (1¢ per gallon) prior to 7/1/98. Owners of LPG-powered vehicles up to 54,000 pounds gross vehicle weight may pay an annual fee in lieu of the volume tax.

New York - Rates are variable, adjusted annually. There is an additional tax on motor carriers of 8.5¢ per gallon of gasoline and 9.6¢ on diesel. Rates include the Petroleum Business Tax of 14¢ per gallon. The gasoline rate includes a 0.5 cell (0.05¢) per gallon Petroleum Testing Fee.

North Carolina - Rates are variable, adjusted semiannually.

North Dakota - A special excise tax of 2% is imposed on all sales of special fuel (diesel or LPG) that are exempted from the volume tax if the fuel is sold for use in the State. There is a producer credit of 40¢ per gallon of agriculturally derived alcohol produced in the State and used to make gasohol.

Ohio - Commercial vehicles formerly subject to the highway use tax pay an additional 3¢ per gallon. Dealers are refunded 10¢ per gallon of each qualified fuel (ethanol or methanol) blended with unleaded gasoline.

Oklahoma - Rates shown include 1¢ per gallon tax dedicated to the Petroleum Underground Tank Release Environmental Cleanup Indemnity Fund. When the Fund reaches specified balance, future tax revenues will be deposited in a highway fund. The gasoline, gasohol, and LPG rates include 0.05¢ for fuel inspection. LPG users may pay an annual fee in lieu of the volume tax.

Oregon - The diesel and LPG rates shown are paid by users for vehicles not under the jurisdiction of Public Utility Commissioner. Vehicles under the jurisdiction of the Public Utilities Commissioner and paying motor-carrier fees are exempt from payment of the motor-fuel tax.

Pennsylvania - The rates include the Oil Franchise Tax for Maintenance and Construction, a variable rate tax adjusted annually. LPG rate based on gasoline gallon equivalent.

Rhode Island - Rates are variable, adjusted quarterly. Rates includes 1¢ per gallon tax for the Underground Storage Tank Financial Responsibility Fund.

South Dakota - There is a credit at the rate of the gasoline tax to distributors blending gasoline with ethanol to produce gasohol. There is also a producer incentive payment of 20¢ per gallon.

Tennessee - LPG users without permits must pay in advance at the beginning of the fiscal year; others pay quarterly. Fee is based on vehicle weight and fuel efficiency. Sales tax rate on aviation fuel is 4.5 percent.

Texas - Owners of LPG vehicles registered in the State must pay an annual fee in lieu of the volume tax.

Utah - LPG is tax exempt if user purchases annual exemption certificate.

Vermont - Diesel vehicles 10,000 pounds and over pay 25¢ per gallon. LPG vehicles are subject to a registration fee 1.75 times the usual fee. The gasoline, gasohol, and diesel rates include 1¢ per gallon for the Petroleum Cleanup Fund.

Virginia - Vehicles weighing 26,000 pounds or more or having 3 or more axles pay an additional 3.5¢ per gallon.

Washington - Owners of LPG vehicles pay an annual fee.

West Virginia - Rates are variable, adjusted annually.

Wisconsin - Rates are variable, adjusted annually.

Wyoming - LPG is subject to sales tax. The gasoline, gasohol, and diesel rates include 1¢ for the Underground Storage Tank Corrective Action Account.

2/ The gasohol rates shown are for gasoline blended with 10 percent ethanol.

Appendix D

Gasoline Distributors

Appendix D

GASOLINE DISTRIBUTORS and SPECIAL FUEL SUPPLIERS

Last Updated 09/14/2001

Gas ** Certified Indian Distributor ++ http://www.state.nm.us/tax/rpd/rpdgaspg.htm
SF * Registered Indian Tribal Distributor+++

64 EXPRESS
ABEITA OIL CO
ADOC OIL CO
AGLAND INCORP
AGP CORN PROCESSING **
ALLSUPS PETROLEUM INC
ALON USA LP
AMIGO PETROLEUM
AMOCO OIL CO
ARIZONA FUEL DIST LLC
ARIZONA TRAILS INC
ARLENCO PETROLEUM CO +++
authorized distributor Navajo Nation
ARNOLD TRUMAN COMPANIES
AVFUEL CORPORATION
B & H OIL COMPANY
B & M OIL COMPANY
BAKER-STEPHENS
BARKER OIL INC
BARNETT OIL CO **
BARRIE HOOD INC *
BECKER PETRO PROD INC
BELL GAS INC
BIG BEAR OIL CO INC
BIG SIX GAS & OIL CO INC
BLACK OIL
BOWLINS OUTDOOR AVTG
BRAD H HALL & ASSOCIATES
BRADCO INC
BRENCO MARKETING CORP
BRENNAN OIL
BRENTARI OIL CO
BREWER OIL CO
BRUHN OIL CO INC *
C & R DISTRIBUTION CO
C & S INC
CALDER BROS CO
CANONCITO OIL & GAS INC
CANYON DE CHELLY FUELS
CANYON STATE OIL CO
CARTER OIL COMPANY
CARVER OIL CO INC *
CENTERGAS II INC
CFJ PROPERTIES
CHARLES OIL & GAS INC
CHEVRON USA INC
CHRISTENSEN OIL CO
CIRCLE K STORES INC
CITGO PETROLEUM CORP.
CITY MARKET INC
CLARKSVILLE OIL & GAS INC
COASTAL CHEMICAL LLC
COCHITI COMMUNITY DEVLPMT CORP +++
authorized distributor & retailer of Cochiti Pueblo
COLOMEX OIL & GAS CO INC
CONOCO INC
CONWAY OIL
COUNTRY ENERGY LLC
CUTTER AVIATION ABQ INC **
DATS TRUCKING
DAVIDSON OIL COMPANY
DIAL OIL CO
DIAMOND SHAMROCK REF & MKTG
DIAMOND SHAMROCK REF CORP. LP
DIXON OIL *
DOWNS TEXACO /DOWNS DIST*
DUKE AND LONG DISTRIBUTING INC**
DUKE CITY DIST CO INC
DUKE ENERGY MERCHANTS LLC
DUNIGAN FUELS INC
DURAN OIL CO
EAGLE AVIATION INC
EASTERN ENERGY PRODUCT MKTG+++
authorized distributor of Navajo Nation
EDDINS WALCHER OIL CO
EQUILON ENTERPRISES LLC
EQUIVA TRADING COMPANY
ERNEST J SHORT & SONS
EXXON MOBIL CORPORATION
FARMINGTON OIL CO
FARMLAND INDUS. INC.
FFP OPERATING PTNR LP
FIKANY INC / FORT SUMNER OIL
FLYING J INC
FORD MOTOR CO
FOUR CORNERS AVIATION (FCA)
FOX LP GAS COMPANY
FRALEY & COMPANY INC
FRANKEN OIL & DISTR CO INC
FRANKS FUELS INC*
FRED GARRISON OIL COMPANY
FRONTIER FUEL INC
FRONTIER TANK LINES INC*
FUEL CENTER PLUS INC
FUEL MANAGERS INC
FUEL STORAGE SUPPLY CO.
FUTURE PETROLEUM
GARY COOK OIL CO INC
GAS CO OF NM *
GIANT INDUSTRIES ARIZONA INC
GIANT STOP-N-GO OF NM INC
GOODMAN OIL CO
GOTTLIEB OIL CO
GREAT SOUTHWEST AVIATION **
GUNDERSON OIL
HALLUM INC
HELTON OIL CO INC
HEWARD SUPER SERVICE INC

HIGH PLAINS CORP. **
HILLICO INC
HODGES OIL CO INC
HOLT OIL COMPANY
HONSTEIN OIL CO
HOUSE COOPERATIVE ASSOC
HOUSLEY DISTR INC
INDIAN CAPITAL DIST CO INC
J & M WHOLESALE
J BRANCH & SONS TRKNG CO *
JC HUNT CO INC
JENKINS OIL CO INC
JERE CO DISTR
K W FUELS INC
KEELING DISTR INC
KEELING OIL CO
KELLERSTRASS ENTERPRISES
KENDRICK OIL CO
KEWA GAS LTD++
KOCH PETRO GROUP LP
KOLB OIL CO
L & L GAS & OIL CO *
L.Y.M. INC.
LAGUNA DVLPMNT CORP+++
authorized distributor of Laguna Pueblo
LAS CRUCES OIL CO
LIGHTHOUSE FARM
SUPPLIES
LISA'S TRUCK CENTER
LOVE'S COUNTRY STORE INC
LUBRICATION SERVICES
LUCKY LADY OIL CO
M. T. CONOCO ** +++
authorized distributor of Zuni Pueblo
MAJOR MARKETS INC+++
authorized distributor of Zuni Pueblo
MANSFIELD OIL CO
MARTIN OIL CORP.
MASTER PETROLEUM
MAVERICK COUNTRY STORES **
MB OIL LTD CO *
MC LAIN TRUCK SERVICE INC *
MELROSE TIRE SERVICE
METEOR MKTG dba GRAVES O & B
MILLERTON TRADING LLC
MINI MART INC dba LOAF N JUG
MITCHELL PETROLEUM INC
MOBIL DIESEL SUPPLY CORP. *
MOBIL OIL
MONUMENT OIL CO
MR GAS INC
MUSKET CORPORATION
NAMBE PUEBLO DVLPMT CORP++
NATCO PETROLEUM
NATIVE AMERICAN PRODUCTS **
NAVAJO NATION O & G+++
authorized distributor of Navajo Nation
NAVAJO PETRO PRDT+++
authorized distributor of Navajo Nation
NAVAJO REFINING CO
NAVCO PETROLEUM
ONDA OIL CO
P & D PETROLEUM INC
PARISH OIL COMPANY
PAUL OIL COMPANY INC.
PECOS REFINING CO
PEERLESS TYRE CO **
PENDLETON O & G CO OF NM
PETRO STOPPING CENTER
PETROLEUM MANAGEMENT INC
PETROLINK INC
PETROMARK CORP.
PHILLIPS PETROLEUM CO
PHOENIX FUEL / AZ CORP.
PHOENIX PETROLEUM CO.
PILOT OIL CORP.
PILOT TRAVEL
CENTERS
POLK OIL CO INC
PORTER OIL CO INC
PRO PETROLEUM INC *
PS ENERGY GROUP INC*
PUEBLO GAS INC+++
authorized retailer of Santo Domingo Pueblo
PUEBLO OF ACOMA+++
dba: Flower Mountain Travel Plaza
PUEBLO OF ISLETA +++
authorized retailer - Isleta One Stop
PUEBLO OF JEMEZ+++
dba: Walatowa Convenience Store
PUEBLO OF POJOAQUE+++
authorized retailer-Pojoaque Conven Store
QUEEN OIL & GAS CO INC
QUICKTRIP CORPORATION
R J COOK OIL CO INC
RAM OIL CORPORATION
RAY MOORE TIRE & PETROL INC **
RED ROCK ENTERPRISES
RED ROCK PETROLEUM INC
REFINERY HOLDING CO
RIO GRANDE OIL CO
RIP GRIFFIN
RITCHIE DALE DISTR. CO
RIVER CITY PETROLEUM
ROBERTS OIL CO
ROBINSON OIL CO INC **
ROSS OIL CO INC
ROY E POGUE WHLSE INC
RYDER ENERGY
SALT FORK COMPANY INC
SAN FELIPE PUEBLO TRAVEL CENTER +++
authorized distributor & retailer of San Felipe
SANCHEZ TRUCKING CO INC
SANDIA ACQUISITION CO IN
SANDIA OIL CO
SAV-O-MAT INC
SB AVIATION GROUP INC
SEVIER VALLEY OIL
SHELL OIL CO **
SHIPLEY PHILLIPS INC
SIERRA PETROLEUM INC
SILCO OIL CO *
SIMONS PETROLEUM INC *
SINCLAIR OIL CORP.
SMITH FOOD & DRUG CNTRS INC **
SMITH OIL CO CLOVIS
SOUTHERN COUNTIES OIL CO
SOUTHWEST CONV STORE
SOUTHWEST ENERGY DISTR INC

STATE OIL CO INC
SUN COAST RESOURCES INC
SUN WEST OIL CO INC
SUNRAY OIL COMPANY
SUPERIOR LUBRICANTS INC
SUPREME OIL COMPANY
SUPREME, LLC
TA OPERATING CORP.
TAUBER OIL COMPANY
TAUBER PETROCHEMICAL CO
TESORO WEST COAST CO**
TEXAS INTRNTL / SERVIGAS
TEXLINE OIL & GAS
THOMAS PETROLEUM*
THRIFTWAY MKTG CORP.
TIMEOUT TRAVEL CENTER INC
TIWA ENTERPRISES +++
authorized distributor & retailer of Sandia Pueblo
TORREZ OIL CO *
TOSCO CORPORATION
TOWN & COUNTRY FOOD STORES
TRANSMOUNTAIN OIL CO LMT
TREJO OIL CO
TRI VALLEY DIST
TRISTAN DISTRIBUTING+++
authorized distributor of Navajo Nation
TSIDEH +++
authorized distributor of San Juan Pueblo
Retailer: Ohkay Travel Cntr & Ohkay Mini Mart
TUCUMCARI CITY OF **
ULTRAMAR INC
UNION DISTRIBUTING
URAVAN SUPPLY COMPANY
USA PETROLEUM CORPORATION
V P RACING FUELS INC
VALERIO OIL COMPANY
VALLEY OIL COMPANY
VENTA INC
VICTORY ENTERPRISES INC *
WAKEFIELD OIL CO INC *
WALKER SIMS OIL CO INC
WESFRAC INC
WEST TEXAS GAS INC
WESTERN M II INC
WESTERN PETROLEUM CO **
WESTERN STATES PETROLEUM **
WHITE MOUNTAIN 76 FUELS
WHITE ROCK OIL +++
authorized distributor & retailer of San Idelefonso
WILLIAMS TRAVEL CENTER INC
WILSON CORP.
WIN OIL CO
WINCO INC
WOODY'S ENTERPRISES LTD
WRIGHT VALLEY OIL INC
ZINGET LLC **

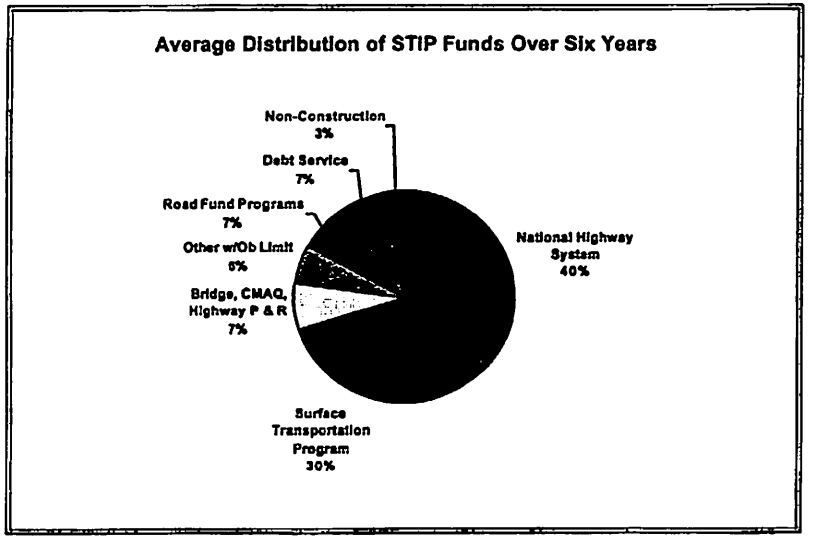
Appendix E

SHTD's Description of Financing Highways

HIGHWAY FINANCING

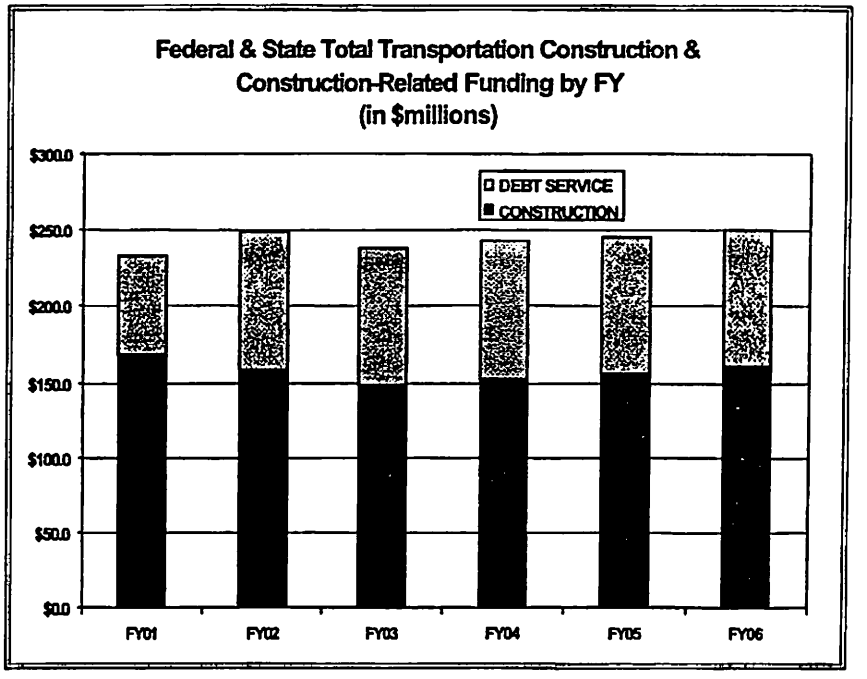
In New Mexico, state highway construction programs are financed by federal funds, State Road Funds, bonding, and appropriations made by the State Legislature. The State Road Fund derives income primarily from state gasoline and special fuels taxes. Augmenting these are interest, miscellaneous revenues and the sale of highways bonds.

Federal funds are generated primarily from gasoline and special fuels taxes. Federal funds are distributed on the basis of formulas established by Congress as well as special appropriations and high priority funds. A spending cap on transportation is set by federal authorizing legislation, usually covering a six-year period based on the federal fiscal year. Currently, distribution formulas and overall spending are governed by the Transportation Equity Act for the 21st Century (TEA-21). Additionally, an appropriations bill sets the actual funding for each fiscal year that includes the additional constraint of an obligation limit.



State Road Fund revenues available for highway preservation and construction amount to approximately $76 million in FY 01. A significant portion of State Road Fund revenues are earmarked for maintenance activities, such as patching, snow removal, mowing and other projects, for which federal funds may not be used.

In 1998, the 2nd Session of the 43rd Legislature authorized the use of future federal highway funds to retire bonds for the major projects previously identified by the Citizens Highway Assessment Taskforce (CHAT). The sale of bonds to finance some of these projects resulted in a large increase in spending in FY1999 and the decrease in construction funding in FY 01 through FY 06 due to bond retirement. (See chart below)



For federal fiscal year 2001, New Mexico has been apportioned the following federal funds in $millions:

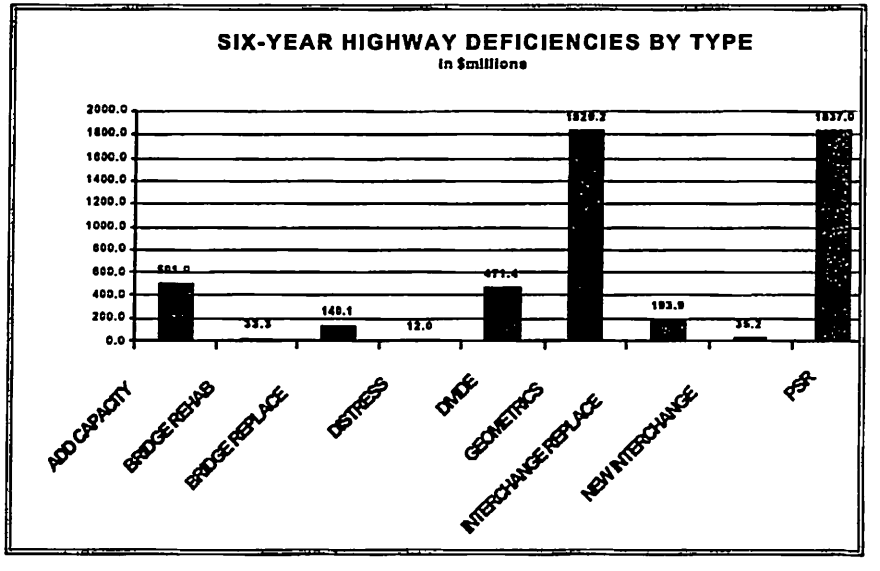
FEDERAL FUNDING PROGRAM FY01	
Interstate Maintenance	$ 61.9
National Highway System	94.5
Surface Transportation Program	39.1
Safety[1]	*4.6*
Enhancements[1]	*9.8*
Large Urban[2]	*8.7*
Bridge Replacement	11.2
CMAQ	8.9
Minimum Guarantee	42.9
Metropolitan Planning	3.9
High Priority Projects	22.7
Fed Trans. Planning & Research	7.1
Federal Non-Construction	14.1
Subtotal Federal Funds	**329.4**
FY00 Obligation Limit	**289.5**
Major Investment Program	185.2
Total Federal Funds	**$474.7**
STATE PROGRAM FY01	
State Matching Funds	$64.2
NM Road Fund Programs	11.9
NM Non-Construction	5.9
Total State Funds	**$ 82.0**
TOTAL FEDERAL & STATE FUNDS	**$556.7**

[1]These funds are mandatory expenditures;
[2]These funds are programmed by the Albuquerque and El Paso MPOs

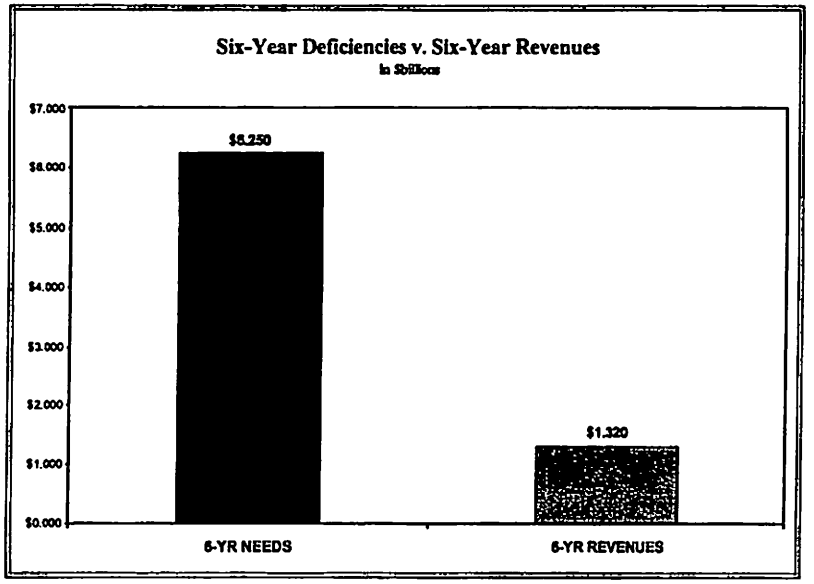
SYSTEM DEFICIENCIES AND NEEDS V. REVENUES

All roads wear out due to traffic and environmental effects. However, beyond the normal pavement deficiencies that include roughness and distress. New Mexico roads have needs related to geometric deficiencies that include problems with steepness, roadway/lane width, tight curves and line-of-sight conditions. Additionally, the roads have issues of insufficient capacity, and bridge and interchange requirements.

(See Six Year Deficiencies chart below)



New Mexico has approximately $5.05 billion in immediate and projected highway deficiencies over the next six years. Despite the large sums budgeted for construction and maintenance the available resources are not adequate to keep up with the combined effects of aging, traffic, and weather on our state's highways.



In addition, New Mexico has a need for four-lane facilities to enhance economic opportunities throughout the state. These highway needs include the $1.2 billion in projects to support economic development activities in New Mexico identified by the Citizens' Highway Assessment Task Force (CHAT) and other specific project needs identified through the department's citizen and local government involvement process.

At the state level, New Mexico has six-year transportation needs that total $6.25 billion (including alternative modes), well in excess of the $1.32 billion currently programmed in the six-year Statewide Transportation Improvement Program (STIP).

TEA-21 authorized funding for several special projects in New Mexico. These projects are listed below.

	PROJECT	AMOUNT ($ in millions)
o	Improvements to I-25 at Raton Pass	9.000
o	Improvements to US 84/285 between Española & Hernandez	4.500
o	Reconstruction of US 84/285 between Santa Fe & Española	13.500
o	Improvements to US 70 southwest of Portales	9.000
o	Improvements to Uptown Blvd. in Bernalillo County	1.025
o	Extension of Unser Blvd. in Bernalillo County	0.650
o	Complete Paseo del Norte east in Bernalillo County	3.325
o	Improvements to US 70 from I-25 to Organ	18.750
o	Northwest Albuquerque/Rio Rancho High Priority Roads	20.000
	TOTAL	$79.750

Appendix F

SHTD's Network of Roads and Highways

Table F1

FEDERAL-AID HIGHWAY LENGTH - 1999
MILES BY OWNERSHIP

OCTOBER 2000

TABLE HM-14
SHEET 1 OF 3

STATE	NATIONAL HIGHWAY SYSTEM - RURAL						NATIONAL HIGHWAY SYSTEM - URBAN						TOTAL NATIONAL HIGHWAY SYSTEM
	STATE HIGHWAY AGENCY	COUNTY M	TOWN. OWNSHIP UNICIPAL	OTHER JURIS- ICTIONS 2	FEDERAL GENCY 3/	TOTAL	STATE HIGHWAY AGENCY	COUNTY M	TOWN. OWNSHIP UNICIPAL	OTHER JURIS- ICTIONS 2	FEDERAL GENCY 3/	TOTAL	
Alabama	2,649	-	-	-	-	2,649	986	-	23	-	-	1,009	3,658
Alaska	1,982	-	-	-	-	1,982	123	1	-	-	-	124	2,106
Arizona	2,116	-	7	-	9	2,132	412	33	102	-	-	547	2,679
Arkansas	2,251	-	-	-	-	2,251	409	1	13	-	-	423	2,674
California	4,859	32	-	5	1	4,897	2,361	14	115	30	-	2,520	7,417
Colorado	2,602	1	-	-	-	2,603	642	18	95	30	-	785	3,388
Connecticut	354	-	-	-	-	354	605	-	3	-	-	608	962
Delaware	200	-	-	-	4	204	106	-	-	-	-	106	310
Dist. of Columbia	-	-	-	-	-	-	74	-	-	-	7	81	81
Florida	2,730	8	1	-	-	2,739	1,537	30	42	-	-	1,609	4,348
Georgia	3,234	32	-	-	39	3,305	1,149	63	36	4	3	1,255	4,560
Hawaii	143	-	-	4	-	147	154	1	-	3	-	158	305
Idaho	2,188	-	-	-	-	2,188	169	-	-	11	-	180	2,368
Illinois	3,242	33	1	96	-	3,372	1,898	108	133	184	-	2,323	5,695
Indiana	2,134	4	-	-	-	2,138	675	9	9	-	-	693	2,831
Iowa	2,653	-	-	-	-	2,653	467	-	22	-	-	489	3,142
Kansas	3,159	2	-	195	-	3,356	369	-	7	42	-	418	3,774
Kentucky	2,262	-	-	4	-	2,266	615	-	5	-	-	620	2,886
Louisiana	1,799	13	-	-	-	1,812	697	21	55	14	-	787	2,599
Maine	1,083	-	-	17	-	1,100	168	-	2	18	-	188	1,288
Maryland	749	1	-	39	-	789	510	13	49	57	25	654	1,443
Massachusetts	396	-	21	68	1	486	951	-	387	120	-	1,458	1,944
Michigan	3,039	9	1	-	-	3,049	1,375	204	95	-	-	1,674	4,723
Minnesota	3,251	8	-	-	-	3,259	664	33	6	-	-	703	3,962
Mississippi	2,182	29	5	-	-	2,216	365	5	27	-	-	397	2,613
Missouri	3,361	-	-	-	-	3,381	953	-	34	-	-	987	4,368
Montana	3,740	-	-	-	-	3,740	109	-	11	-	-	120	3,860
Nebraska	2,689	-	-	-	-	2,689	230	18	37	-	-	285	2,974
Nevada	1,915	-	-	-	2	1,917	190	7	9	-	-	206	2,123
New Hampshire	639	-	-	-	-	639	143	-	20	-	-	163	802
New Jersey	517	15	-	130	-	662	990	85	50	268	-	1,393	2,055
New Mexico	2,634	-	-	-	-	2,634	277	-	9	-	-	286	2,920
New York	2,389	19	5	355	-	2,768	1,681	99	315	275	-	2,370	5,138
North Carolina	2,821	-	-	-	1	2,822	839	-	2	-	-	841	3,663
North Dakota	2,617	2	-	-	-	2,619	103	-	-	-	-	103	2,722
Ohio	2,483	8	-	178	-	2,669	1,543	10	44	63	-	1,660	4,329
Oklahoma	2,316	-	-	514	-	2,830	441	-	4	38	-	483	3,313
Oregon	3,262	5	-	-	-	3,267	420	21	45	-	-	486	3,753
Pennsylvania	3,160	-	-	299	-	3,459	1,715	4	54	214	-	1,987	5,446
Rhode Island	87	-	-	-	-	87	176	-	-	-	-	176	263
South Carolina	1,944	-	-	-	-	1,944	630	1	2	-	-	633	2,577
South Dakota	2,819	1	-	-	-	2,820	106	-	4	-	-	110	2,930
Tennessee	2,231	-	-	-	-	2,231	954	-	26	-	-	980	3,211
Texas	8,644	3	4	-	-	8,651	3,924	88	550	112	-	4,674	13,325
Utah	1,748	-	3	-	33	1,784	376	4	11	-	-	391	2,175
Vermont	591	-	7	-	-	598	74	-	21	-	-	95	693
Virginia	2,200	-	-	19	-	2,219	1,183	28	16	-	26	1,253	3,472
Washington	2,588	9	1	-	-	2,598	713	30	95	1	-	839	3,437
West Virginia	1,461	-	-	72	-	1,533	198	-	-	14	-	210	1,743
Wisconsin	3,193	30	-	-	-	3,223	828	47	62	2	-	939	4,162
Wyoming	2,757	-	-	-	28	2,785	166	-	-	-	-	166	2,951
U.S. Total	116,083	264	56	1,995	118	118,516	36,441	996	2,647	1,500	61	41,645	160,161
Puerto Rico	148	-	-	-	-	148	240	-	1	-	-	241	389
Grand Total	116,231	264	56	1,995	118	118,664	36,681	996	2,648	1,500	61	41,886	160,550

Source: Federal Highway Administration, Highway Statistics 1999

Table F2

FEDERAL-AID HIGHWAY LANE - LENGTH - 1999
ESTIMATED LANE - MILES BY SYSTEM 1/

OCTOBER 2000 TABLE HM-48

STATE	NATIONAL HIGHWAY SYSTEM									OTHER FEDERAL-AID HIGHWAYS			ALL FEDERAL-AID HIGHWAYS			ALL NON-FEDERAL-AID HIGHWAYS			TOTAL
	INTERSTATE			OTHER			TOTAL												
	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	
Alabama	2,417	1,458	3,875	5,541	2,452	7,993	7,958	3,910	11,868	31,471	10,581	42,052	39,429	14,491	53,920	110,894	30,356	141,250	195,170
Alaska	2,130	225	2,355	1,923	242	2,165	4,053	467	4,520	3,341	947	4,288	7,394	1,414	8,808	14,329	2,536	16,865	25,673
Arizona	3,990	902	4,892	2,689	1,689	4,378	6,679	2,591	9,270	12,032	11,243	23,275	18,711	13,834	32,545	58,469	25,889	84,358	116,903
Arkansas	1,574	692	2,266	4,557	985	5,542	6,131	1,677	7,808	31,532	5,623	37,155	37,663	7,300	44,963	137,618	15,457	153,075	198,038
California	6,269	8,233	14,502	9,668	7,472	17,140	15,937	15,705	31,642	40,968	68,896	109,864	56,905	84,601	141,506	116,339	110,589	226,928	368,434
Colorado	3,171	879	4,050	4,412	2,454	6,866	7,583	3,333	10,916	20,245	8,339	28,584	27,828	11,672	39,500	118,529	20,406	138,935	176,435
Connecticut	451	1,393	1,844	683	1,285	1,968	1,134	2,678	3,812	3,459	7,098	10,557	4,593	9,776	14,369	13,884	16,102	29,986	44,355
Delaware	-	253	253	715	278	993	715	531	1,246	1,469	1,203	2,672	2,184	1,734	3,918	5,788	2,797	8,583	12,501
Dist. of Columbia	-	80	80	-	321	321	-	401	401	-	1,416	1,416	-	1,817	1,817	-	1,954	1,954	3,771
Florida	4,205	2,967	7,172	5,488	4,562	10,050	9,693	7,529	17,222	18,845	31,485	50,330	28,538	39,014	67,552	111,988	71,771	183,757	251,309
Georgia	3,611	2,875	6,486	7,026	2,996	10,022	10,637	5,871	16,508	39,974	15,790	55,764	50,611	21,661	72,272	127,054	39,963	167,017	239,289
Hawaii	25	312	337	298	355	653	323	667	990	1,439	1,330	2,769	1,762	1,997	3,759	3,001	2,445	5,446	9,205
Idaho	2,106	359	2,465	3,680	323	4,003	5,786	682	6,468	13,491	2,912	16,403	19,277	3,594	22,871	65,910	5,081	70,991	93,862
Illinois	6,113	3,371	9,484	4,170	5,996	10,166	10,283	9,367	19,650	39,653	21,048	60,701	49,936	30,415	80,351	157,796	50,357	208,153	288,504
Indiana	3,482	1,533	5,015	3,778	1,363	5,141	7,260	2,896	10,156	27,435	13,185	40,620	34,695	16,081	50,776	118,217	26,608	142,825	193,601
Iowa	2,540	652	3,192	5,228	1,263	6,491	7,768	1,915	9,683	39,957	7,051	47,008	47,725	8,966	56,691	162,063	12,694	174,757	231,448
Kansas	2,792	872	3,664	6,011	862	6,873	8,803	1,734	10,537	55,879	6,863	62,742	64,682	8,597	73,279	185,225	14,240	199,465	272,744
Kentucky	2,235	1,193	3,428	5,367	1,435	6,802	7,602	2,628	10,230	18,134	6,185	24,319	25,736	8,813	34,549	103,700	15,570	119,270	153,819
Louisiana	2,460	1,291	3,751	3,222	1,967	5,189	5,682	3,258	8,940	17,679	6,524	26,403	23,561	11,782	35,343	72,734	19,687	92,421	127,764
Maine	1,276	218	1,494	1,603	362	1,965	2,879	580	3,459	8,614	1,746	10,360	11,493	2,326	13,819	29,272	3,242	32,514	46,333
Maryland	1,135	1,626	2,761	1,875	1,733	3,608	3,010	3,359	6,369	5,733	8,794	14,527	8,743	12,153	20,896	24,831	20,903	45,734	66,630
Massachusetts	772	2,401	3,173	885	3,167	4,052	1,657	5,568	7,225	4,979	13,170	18,149	6,638	18,738	25,374	18,521	30,528	49,049	74,423
Michigan	3,173	2,794	5,967	5,800	5,072	10,872	8,973	7,866	16,839	43,544	18,217	61,761	52,517	26,083	78,600	134,443	42,545	176,988	255,588
Minnesota	2,758	1,182	3,940	6,760	1,779	8,539	9,518	2,961	12,479	47,482	9,771	57,253	57,000	12,732	69,732	178,424	22,611	201,035	270,787
Mississippi	2,244	545	2,789	5,042	989	6,031	7,286	1,534	8,820	32,783	4,857	37,640	40,069	6,391	46,460	93,931	10,914	104,845	151,305
Missouri	3,236	2,054	5,290	6,361	1,792	8,153	9,597	3,846	13,443	43,927	8,582	52,509	53,524	12,428	65,952	162,380	22,460	184,840	250,792
Montana	4,537	228	4,765	5,416	207	5,623	9,953	435	10,388	20,199	1,479	21,678	30,152	1,914	32,066	106,523	3,589	110,112	142,178
Nebraska	1,747	229	1,976	5,127	882	6,009	6,874	1,111	7,985	32,535	2,779	35,314	39,409	3,890	43,299	137,453	7,484	144,937	188,236
Nevada	1,920	402	2,322	3,090	500	3,590	5,010	902	5,912	5,910	4,303	10,213	10,920	5,205	16,125	50,572	8,338	58,910	75,035
New Hampshire	763	226	989	1,050	348	1,398	1,813	574	2,387	3,402	1,729	5,131	5,215	2,303	7,518	19,638	3,909	23,747	31,265
New Jersey	656	2,020	2,676	1,625	4,484	6,109	2,281	6,504	8,785	4,293	12,447	16,740	6,574	18,951	25,525	18,113	34,126	52,239	77,764
New Mexico	3,613	493	4,106	4,442	764	5,206	8,055	1,257	9,312	12,218	3,315	15,533	20,273	4,572	24,845	90,643	9,318	99,961	124,806
New York	3,850	3,822	7,672	4,573	6,712	11,285	8,423	10,534	18,957	20,914	25,766	46,680	29,337	36,300	65,637	117,454	55,679	173,133	238,770
North Carolina	2,718	1,878	4,596	6,737	1,803	8,540	9,455	3,681	13,136	24,378	13,174	37,552	33,833	16,855	50,688	122,673	34,737	157,410	208,098
North Dakota	2,122	168	2,290	4,900	218	5,118	7,022	386	7,408	29,336	1,350	30,688	36,358	1,738	38,094	134,989	2,275	137,264	175,358
Ohio	3,528	3,900	7,428	5,630	3,397	9,027	9,158	7,297	16,455	30,778	19,883	50,661	39,936	27,180	67,116	130,204	46,648	176,850	243,966
Oklahoma	2,684	1,015	3,699	5,973	1,112	7,085	8,857	2,127	10,984	49,331	9,460	58,791	58,188	11,587	69,775	144,073	18,462	162,535	232,310
Oregon	2,369	720	3,089	6,023	1,109	7,132	8,392	1,829	10,221	23,189	6,099	29,288	31,581	7,928	39,509	82,439	15,454	97,893	137,402
Pennsylvania	4,879	2,502	7,381	5,999	5,059	11,058	10,878	7,561	18,439	27,308	18,614	45,922	38,188	26,175	64,361	136,469	47,863	184,332	248,693
Rhode Island	85	302	387	173	458	631	258	760	1,018	520	2,550	3,070	778	3,310	4,088	1,991	6,734	8,725	12,813
South Carolina	2,740	786	3,526	3,616	1,848	5,464	6,356	2,634	8,990	24,991	6,849	31,840	31,347	9,483	40,830	80,722	14,455	95,177	136,007
South Dakota	2,525	202	2,727	4,776	218	4,994	7,303	418	7,721	32,396	1,281	33,677	39,699	1,699	41,398	124,691	2,852	127,543	168,941
Tennessee	2,991	1,787	4,758	4,525	2,510	7,035	7,518	4,277	11,793	18,825	11,981	30,806	26,341	16,258	42,599	116,382	24,292	140,674	183,273
Texas	9,005	5,785	14,790	19,383	15,065	34,448	28,388	20,850	49,238	96,557	46,821	143,378	124,945	67,871	192,816	327,276	117,922	445,198	637,814
Utah	3,125	942	4,067	2,313	897	3,210	5,438	1,839	7,277	9,853	2,869	12,722	15,291	4,708	19,999	55,033	11,604	66,637	86,636
Vermont	1,121	160	1,281	727	137	864	1,848	297	2,145	5,498	887	6,383	7,344	1,184	8,528	19,108	1,709	20,817	29,345
Virginia	3,056	2,252	5,308	5,489	3,585	9,074	8,545	5,837	14,382	28,113	11,445	39,558	36,658	17,282	53,940	71,688	26,621	98,307	152,247
Washington	2,275	1,549	3,824	4,925	2,002	6,927	7,200	3,551	10,751	20,911	12,939	33,850	28,111	16,490	44,601	98,248	24,666	122,912	167,513
West Virginia	1,852	402	2,254	2,738	364	3,102	4,590	766	5,356	15,112	2,103	17,215	19,702	2,869	22,571	48,097	4,105	52,202	74,773
Wisconsin	2,368	836	3,204	6,843	2,878	9,721	9,211	3,714	12,925	38,884	10,220	49,104	48,095	13,934	62,029	145,701	22,668	168,369	230,398
Wyoming	3,306	349	3,655	3,842	243	4,185	7,248	592	7,840	7,556	1,742	9,300	14,806	2,334	17,140	35,845	2,699	38,544	55,684
U.S. Total	134,200	73,295	207,495	222,619	109,992	332,611	357,019	183,287	540,306	1,187,272	526,941	1,714,213	1,544,291	710,228	2,254,519	4,737,757	1,185,712	5,923,469	8,177,988
Puerto Rico	411	743	1,154	161	383	544	572	1,126	1,698	2,314	3,176	5,490	2,886	4,302	7,188	12,806	11,073	23,879	31,067
Grand Total	134,611	74,038	208,649	222,980	110,375	333,355	357,591	184,413	542,004	1,189,586	530,117	1,719,703	1,547,177	714,530	2,261,707	4,750,563	1,196,785	5,947,348	8,209,055

1/ May see differences from prior years; starting in 1999, number of lanes is coded for all systems except rural minor assuming two as the number of lanes collector and rural/urban local. Rural minor collector and rural/urban local functional system lane-miles estimated by FHWA

Table F3

BREAKDOWN OF NEW MEXICO LANE MILES

YEAR	NATIONAL HIGHWAY SYSTEM									OTHER FEDERAL-AID HIGHWAYS			ALL FEDERAL-AID HIGHWAYS			ALL NON-FEDERAL AID HIGHWAYS			TOTAL
	INTERSTATE			OTHER			TOTAL												
	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	RURAL	URBAN	TOTAL	
1992	3,646	401	4,047	*	*	*	*	*	*	*	*	*	25,064	4,130	29,194	88,594	9,102	97,696	126,890
1993	3,649	427	4,076	4,181	675	4,856	7,830	1,102	8,932	17,011	3,112	20,123	24,841	4,214	29,055	87,958	9,106	97,064	126,119
1994	3,609	489	4,098	4,204	643	4,847	7,813	1,132	8,945	17,080	3,314	20,394	24,893	4,446	29,339	88,412	9,370	97,782	127,121
1995	3,603	492	4,095	4,229	742	4,971	7,832	1,234	9,066	17,059	3,264	20,323	24,891	4,498	29,389	88,526	9,406	97,932	127,321
1996	3,603	493	4,096	4,275	761	5,036	7,878	1,254	9,132	16,885	3,266	20,151	24,763	4,520	29,283	85,020	9,452	94,472	123,755
1997	3,603	493	4,096	4,305	759	5,064	7,908	1,252	9,160	12,307	3,308	15,615	20,215	4,560	24,775	89,643	9,455	99,098	123,873
1998	3,595	490	4,085	4,339	756	5,095	7,934	1,246	9,180	12,353	3,334	15,687	20,287	4,580	24,867	90,463	9,453	99,916	124,783
1999	3,613	493	4,106	4,442	764	5,206	8,055	1,257	9,312	12,218	3,315	15,533	20,273	4,572	24,845	90,643	9,318	99,961	124,806

=Rural minor collectors subtracted from lane mileage calcs from 1997 forward, thus the loss in lane-miles
* = Data not available

Source: Federal Highway Administration, Highway Statistics, various years

Appendix G

GARVEE Bonds

Memorandum

U. S. Department of Transportation
Federal Highway Administration

Subject: **Information**: GARVEE Bond Guidelines
Date: August 18, 2000

From: Michael J. Vecchietti (original signed by)
Director of Administration
Replay to Attn of: HABF-40

To: Division Administrators

The National Highway System Designation Act of 1995 revised the Title 23 provisions relating to bond issue projects, section 122. The revised section makes debt financing costs relating to Title 23 projects eligible for Federal reimbursement. Several States are taking advantage of this eligibility by issuing bonds to finance Federal-aid projects and using Federal funds to pay a portion of the principal, interest, and related bond issuance costs. These bonds are generally referred to as GARVEE bonds (Grant Anticipation Revenue Vehicles).

We are attaching guidelines to be used in authorizing projects financed with GARVEE bonds. Generally, these projects are administered in the same manner and are subject to the same requirements as other Title 23 projects. The primary difference relates to the reimbursement process. Projects are generally reimbursed as construction costs are incurred, while the reimbursement of GARVEE bond projects is based on debt service costs and usually occurs at the time of debt service payments.

If you have any comments on the attached guidelines, please call Max Inman at (202) 366-2853. If you need assistance in implementing a GARVEE bond program, you may contact the Financial Management Division or the Innovative Finance Specialists in the Resource Centers.

Attachment:

Garvee Bond Guidelines

cc: Resource Center Managers

GARVEES

Definition of GARVEE bonds:

A GARVEE bond is any bond or note repayable, either exclusively or primarily, with future Federal-aid highway funds. A GARVEE bond does not mean the Federal government is guaranteeing the bonds. [Although highway bonds are frequently issued by state and local governments, the Federal Highway Administration is only involved when bonding occurs on Federal-aid projects, and when debt service is repaid with Federal-aid funds .]

•The term GARVEE stands for Grant Anticipation Revenue Vehicle, similar to GANs (Grant anticipation notes).

What makes GARVEEs Innovative?

•Prior to 1995, states were restricted from using Federal-aid highway funds to pay debt service and associated costs. Section 311 of the NHS Act removed these restrictions.

•Also prior to 1995, states were restricted from Advance Constructing beyond the current authorization period. This was changed by Section 308 of the NHS Act.

•TEA-21 strengthened predictability of states' federal-aid, with Revenue Aligned Budget Authority and Minimum Guarantee [Briefly, RABA is a way to link FHWA authorizations with Highway Trust Fund variations – as HTF funds increase, so do FHWA authorizations; Minimum Guarantee established a method to give states back a guaranteed minimum share of their HTF percent contributions.] .

•Three states have completed GARVEEs since May 1998, numerous states are studying the idea and several have drafted or passed state-level enabling legislation [Mississippi, Arkansas, Colorado passed laws in some form; Texas, Arizona, California, Florida have drafted bills; New Jersey completed transit deal similar to GARVEEs.] .

GARVEEs are a Piece of Overall Transportation Financing Picture

•Pay-as-you-go financing will likely continue to be the bulk of most states' transportation financing in the foreseeable future.

•General obligation bonds

•Revenue bonds

•Locally-Dedicated Revenue (LDR) Sources

Reasons to consider issuing GARVEEs instead of other types of bonds.

•A state may be unwilling or unable to support a particular issue with its full-faith and credit, [Refers to state 's commitment to pledge its taxing authority, plus non-tax revenues, in payment of

principal and interest on outstanding debt securities.] as required with highly-rated GO bonds. In some states, there are legislated limits on how much debt they can have outstanding at any given time.

•Some states may actually get higher ratings than GO bonds, due to substantial coverage ratios, or the proportion of the state's Federal-aid to amount of debt incurred.

•Revenue streams may be unavailable for project, eliminating the possibility of revenue bonds.

Alternative GARVEE Structures

•Stand-alone, or "naked" GARVEE, means that the creditworthiness of the bonds depends entirely on future Federal-aid reimbursements, and not on the state's or any other entity's revenues or credit.

•Insured GARVEE, is a bond issue for which the issuing entity has purchased bond insurance. Bond insurance is a credit enhancement intended to make the bonds more marketable.

•Backstopped GARVEE, involves a pledge of another revenue source, such as state's gas tax or GO authority, to enhance the creditworthiness of the bonds.

•"Direct" GARVEE – bonds issued for a specific project(s). The Federal share of debt service is paid with Federal-aid Advance Construction reimbursements. Projects must be Federal-aid eligible under title 23 U.S.C.

•"Indirect" GARVEE – bonds repayable with collected reimbursements for Federal-aid projects already constructed. This stream of reimbursements can be used for debt service on other, non-federal projects.

Basic GARVEE Mechanics

•Identify Federal-aid eligible project(s) on STIP. A GARVEE project would be authorized in same way any other Federal-aid project is authorized, except state elects to seek payments for bond issue costs (principal, interest, and related costs) instead of construction invoice costs. All direct GARVEE projects must be eligible for Federal-aid funds under Title 23 U.S.C.

•Get approval for Advance Construction from FHWA Division office. The AC designationpreserves the project's eligibility for future Federal-aid assistance.

•Select matching option – matching options for state share of Federal-aid follow same rules as regular Federal-aid projects.

•Up-front match, based on state share (typically 20%) of project cost

•Match each debt service payment separately

•Separate bond issue for matching funds, repaid with purely state funds

•Issue bonds – this is the point where state or state entity receives cash, and simultaneously incurs debt. Project construction begins.

•Partial conversion of Advance Construction as debt service comes due

•FHWA Division would obligate for debt service

•Debt service wired out directly to trustee (bank or other entity that purchases bonds from the issuer)

The Short History of GARVEE bonds

• New Mexico, has undertaken $295 million GARVEE issues. Average annual debt service on these bonds will be about $28 million over 15 years. This compares to their average expected annual apportionments under TEA-21 of $256 million (A debt/apportionment ratio of 11%). (July, 1998)

•Ohio, issued $70 million GARVEE bonds. Average annual debt service about $9 million over 10 years. This represents about 1% of average expected annual apportionments under TEA-21 ($887 million). (May, 1998)

•Massachusetts issued $600 million GARVEEs, to be repaid from both Federal-aid and state highway funds. Average annual debt service should be about $60 million, or 11.5% of their $524 million average expected annual TEA-21 apportionments. (June, 1998.)

•Mississippi set to issue $200 million GARVEEs, attained the highest-yet rating (AAA, Fitch) because of additional pledge of state gas tax revenue, and the state's position that it will not take on additional GARVEE debt. Funds will accelerate four-lane program.

•Arkansas, won approval from voters for $575 million GARVEE issue, with a secondary pledge or backstop of the state's GO authority. Funds will accelerate interstate rehabilitation.

Comparison of Pay-as-you-go Financing to Bond Financing

Pay-as-you-go Financing – project is built as funds become available.

Advantages: Avoid interest costs, simplicity, keep debt ratio down, great if cash is available.

Disadvantages: Large projects difficult to save up for, projects typically are built in multi-year segments, current users are burdened with entire project cost, delays may contribute to cost over-runs due to inflation, rehabilitation costs increase exponentially with time.

Bond Financing – project built immediately with up-front cash & paid off over several years.

Advantages: Avoid inflation delays, economic development benefits occur sooner, spread cost of project over useful life, customer satisfaction

Disadvantages: Interest costs and issuance costs, tie up federal-aid funds in out-years.

For Example . . .

A state is faced with an urgent transportation project need, but cash is not readily available from state or federal sources to come up with the required $295 million. Additionally, the state is either not ready or not willing to issue general obligation bonds for the project. The state decides to issue GARVEEs. Based on what they have heard from credit rating agencies and investment banks, they estimate that a GARVEE

issue would attain an "A" rating, and interest rates could be between 4 3/4%, and 5 ½%, depending on the length of time they choose to repay the bonds.

Annual Debt Service for $295 million Bond Issue

Term (in years)	Borrowing Rates	Annual Pmt Level
10	4 3/4%	$37.7MM
15	5.00%	$28.4MM
20	5 1/4%	$24.2MM
25	5 3/8%	$21.7MM

Under one option, matching could occur with each debt service payment. For example, with the 15-year payback structure, state payments would be $5.7MM and Federal-aid payments would be $22.7MM for a total annual payment of $28.4MM.

GARVEEs: Can Help Beat Inflation

Because GARVEEs allow a state to amass construction financing at once, project construction can occur as fast as the state can line up contractors. Under pay-as-you-go financing, a likely scenario is that the state would have to wait a few years to accumulate cash (and/or obligation authority) until the project started.

Costs of inflation . . .

After 3 years, project cost increases to $337MM at 4.5% inflation, and $351MM at 6% inflation.Pay-as-you-go financing:

Project cost: $295MM

Rate of inflation: 4.5% annually

Years delay until cash available: 3

Costs of bonding . . .

At 5% interest, bonding costs are estimated at $305MM* – for a savings of over $30MM, *and you get the project sooner.*Bond financing:

Project cost: $295MM

Interest costs: 5%

Bond term: 15 years

Delay: 0

*net present value of 15 annual payments of $28.4MM, using the rate of inflation as the discount rate.

August 2000

Garvee Bond Guidance

Implementing the Provisions of Title 23 Section 122
Reimbursements to States for Bond and Other Debt Instrument Financing Costs

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Background

Section 311 of the National Highway System Designation Act of 1995 (NHS Act) significantly expanded the eligibility of bond and other debt instrument financing costs for Federal-aid reimbursement. This change to the Federal-aid program was codified into permanent highway law as an amendment to section 122 of Title 23, United States Code. This guidance replaces the interim implementing guidance issued by memorandum on May 17, 1996.

Section 122 makes bond-related costs eligible for Federal reimbursement on any Federal-aid project eligible under Title 23. The definition of construction is revised in section 101 of Title 23, to include a reference to bond-related costs. A wide array of bond-related costs are eligible for reimbursement, including principal and interest payments, issuance costs, insurance, and other costs incidental to a financing.

Since enactment of the NHS Act, a number of States either have structured or are considering project financing that utilizes bond or other debt instrument financing mechanisms involving the payment of future Federal-aid highway funds to retire debt. These new mechanisms are being called Grant Anticipation Revenue Vehicles or "GARVEE" bonds. Some States are designating these financings backed by future Federal funds as Grant Anticipation Notes or GANs.

These guidelines apply to a bond financing for a single large scale Federal-aid eligible project as well as to a financing which funds multiple Federal-aid eligible projects.

Not a Guarantee

As stated in section 122, the eligibility of a debt financing instrument for reimbursement with future Federal-aid, to the extent such funding may be available, does not constitute a commitment, guarantee, or other obligation by the United States to provide for payment of principal or interest, or create any right of a third party against the Federal Government for payment. Issuers should seek the expert advice of bond counsel regarding the tax status of such debt instruments.

Project Approval

The project must be approved as a Federal-aid debt-financed (bond, certificate, note, or other debt instrument) project in order to receive payments for eligible debt-related costs under section 122. Once a project is selected for bond financing, the project is submitted to the responsible FHWA Division Office for approval as an advance construction (AC) project under section 115 of Title 23. The AC designation will ensure that the project follows Federal-aid procedures and will preserve the eligibility to reimburse debt-related costs through future Federal-aid fund obligations.

At the time the project agreement is signed, the State will make an election to seek reimbursement for debt service and/or related issuance costs in lieu of reimbursement for construction costs. Accordingly, each project will receive its reimbursements either on the basis of debt-related costs *or* on invoice costs (not both), except in the case of cost over-runs as described below. If a State elects to receive debt-service reimbursements, a debt service schedule should be included in the project agreement. If multiple projects are funded with the proceeds of a bond issue, each project would have a prorated share of the debt-related costs.

To comply with the intent of the fiscally constrained planning process, the Federal share of the debt-related costs (e.g., interest and principal payments, associated issuance costs, and on-going debt servicing expenses) anticipated to be reimbursed with Federal-aid funds over the life of the bonds should be designated as AC. The planned amount of Federal-aid reimbursement for debt service (AC conversion) should be included in the State Transportation Improvement Program (STIP) in accordance with FHWA procedures relating to STIP preparation.

It is important to note that FHWA approves only the project to be debt-financed in order to receive debt service reimbursements, not the bond issue which is under State authority.

Funding Eligibility

To be authorized as AC, the project must be eligible for Federal-aid funding under one or more program categories as set forth in Title 23, section 115 (e.g. NHS, STP, etc.). Any reimbursements of debt-related costs must be made with obligations of eligible categories of Federal-aid funds. The AC amount designated at the time of project approval must consist of some combination of eligible funding categories, although the State each year retains the flexibility to decide which category(ies) to obligate for AC conversion. The State retains the right to use non-Federal funds in lieu of Federal-aid for debt service costs.

Eligible Debt Financing Instruments and Bond-Related Costs

As defined in section 122, an eligible debt financing instrument is a bond, note, certificate, mortgage, lease, or other debt financing instrument issued by a State or political subdivision of a State or a public authority, the proceeds of which are used to fund a project eligible for assistance under Title 23. For purposes of these guidelines, the term "bond" is used generically to mean an eligible debt financing instrument.

A current or advance refunding issue would also be considered an eligible debt financing instrument, if the issue was a refunding of an outstanding bond issue approved under the provisions of section 122. A refunding is usually performed to achieve interest rate savings for the issuer. If the refunding results in higher debt service costs in either nominal or present value terms, the State must send justification for the refinancing in a form acceptable to the FHWA Division Office. A project agreement modification will be required to ensure the continued eligibility of reimbursements of bond costs.

Bond-related costs eligible for reimbursement include:

1. interest payments and retirement of principal under an eligible debt financing instrument (including any capitalized interest);
2. issuance costs and credit enhancement fees; and
3. any other cost incidental to the sale of an eligible debt financing instrument (as determined by the Secretary). These include on-going agent/trustee fees, arbitrage rebates, and audit costs.

Issuance costs include the following: underwriters discount; rating agency fees, printing, publication, or advertising expenses with respect to the bonds; all fees, expenses, and costs of registrars and paying agents; and all fees, expenses, and costs of attorneys, financial advisors, bond counsel, accountants, feasibility consultants, computer programmers, or other experts employed to aid in the sale and issuance of bonds. Credit enhancement fees include

bond insurance, premiums, and letter or line of credit fees.

The capitalization from bond proceeds of a reserve account or contingency fund required by (incidental to) the debt issuance is considered an eligible Federal-aid expense. The funds deposited in such an account, along with any interest earnings, must be used for project costs--either on a current basis (including interest) or as a final payment to the bondholders. They cannot be released and disbursed to any other party for any other purpose. If the reserve account is to be liquidated to make the final debt service payment it will not be eligible for Federal-aid reimbursement. Likewise, if unused bond proceeds are applied to pay principal and/or interest, such payments will not be eligible for reimbursement.

Federal Share

The maximum Federal share of the cost of a bond issue project approved under section 122 is the share as defined under section 120 of Title 23 (or other statutory reference). This constitutes the legal pro rata share in effect at the time of execution of the project agreement. For any bond issue, the Federal share eligible for reimbursement depends on the amount of bond proceeds applied to approved Federal-aid projects, including payment of "soft" costs such as capitalized interest, issuance expenses, and credit enhancement fees.

In situations where 100 percent of project costs are debt financed through one bond issue, the bond-related costs may be measured on a nominal, current-year basis (e.g. 80 percent of each payment will be payable from Federal-aid and 20 percent from State match.) This will simplify both STIP planning and the calculation of reimbursement amounts and shares. However, this may not always be the case. The Federal and non-Federal share may be financed separately. For example, the Federal share may be debt financed, while the State share is funded on a pay-as-you-go basis or satisfied with "in-kind" match such as donated property or toll credits.

Transportation Conformity

Bond-financed projects approved by FHWA under the provisions of section 122 are subject to the Clean Air Act Amendments of 1990 and transportation conformity regulations (40 CFR parts 51 and 93) and guidance. Consistent with the Supplemental Guidance Memorandum on Transportation Conformity issued on June 18, 1999, if a State has issued bonds for an AC project or projects before the date of notice of a conformity lapse and FHWA has approved the project(s) in accordance with section 122, FHWA will continue to reimburse the State during a conformity lapse as follows:

1. For a construction bond financed project, since PS&E approval is given at the time of execution of the Project Agreement for the AC project, both debt service payments and project costs remain eligible for reimbursement, provided the bonds were issued prior to the date of the conformity lapse. Bond proceeds can continue to be spent on the project.

2. For design and right-of-way bond financed projects, debt service payments will remain eligible for reimbursement, provided that the State at the time of the project agreement elected to receive debt service reimbursements in lieu of reimbursements for project costs. However, pursuant to the June 18, 1999, Supplemental Guidance Memorandum on Transportation Conformity, during a conformity lapse, the State may not continue with active design and right-of-way projects for non-exempt projects, and, accordingly, may not spend bond proceeds on those projects, until conformity is reestablished. A State may substitute allowable projects (see June 18 Guidance) within the area in conformity lapse or projects outside that area, provided all Federal requirements have been met.

Partial Conversion

Periodic debt service payments (Federal-aid reimbursements) on the bonds would represent partial conversions of designated AC amounts to Federal-aid. The State could obligate such Federal-aid annually over the life of the bonds to help retire permanent financing or the State could make the conversion in one lump-sum upon project completion to help take out construction financing. The State would follow the normal procedures for conversion of an AC project.

Reimbursements of Debt-Related Costs

The State may seek Federal-aid reimbursements for eligible bond-related costs as these costs are incurred. Issuance costs, debt service payments, and incidental costs represent costs incurred that may be reimbursed with

Federal-aid funds to the extent such costs are deemed eligible, without regard to the construction status of the project. Tapered match will not be permitted on debt-related reimbursements.

The State may make arrangements with the FHWA Division Office regarding the procedures under which it would submit a billing to FHWA for debt-related costs. A request for payment can be timed so that reimbursements could be received just prior to or on the debt service payment date, so that the State does not need to advance its own funds to pay the Federal share. If the State is required to make sinking fund deposits to a trustee prior to the actual debt service payment dates, the State would be responsible for working with the U.S. Department of Treasury to determine compliance with its agreement under the Cash Management Improvement Act.

The amount of the billing to be processed for debt service payments would be the sum of prorated debt-related costs for each project approved under section 122 and submitted for AC conversion.

By obligating each years debt service payments as soon as obligation authority is available after the beginning of the Federal fiscal year, the State may be able to avoid the need for early deposits of moneys into a sinking fund account.

The State may designate a trustee or other depository to receive Federal-aid debt service payments directly from FHWA.

FMIS Instructions

The debt-related projects will be entered into the Fiscal Management Information System (FMIS) like any other AC Federal-aid project using existing AC appropriation codes. The AC designation will ensure that the project follows Federal-aid procedures and will preserve the eligibility to reimburse debt-related costs through future Federal-aid fund obligations.

To identify GARVEE bonds in the FMIS, a detail line item using work type "DEBT" will be included on each project. The debt related costs will be shown on this line which will include interest, issuance costs, insurance, and other costs incidental to financing. The costs relating to preliminary engineering, right-of-way, and construction will be shown as separate line items using the appropriate coding.

Project Cost Changes

If there are cost under-runs on the project, there will be excess proceeds in the Construction Account. The financing agreement (bond resolution or trust indenture) should direct that these excess funds be applied to the next debt service payment on the bonds following completion of construction. The Federal reimbursable share of that payment will be reduced in like amount.

If there are cost over-runs which exceed the bond proceeds, Federal funds may be used to reimburse the Federal share of the over-run.

Close-out of Bond-Financed Project

For accounting purposes, the bond project will remain active until the bonds have been fully retired (i.e. the last debt service payment has been made) and any adjustments to the Federal share of project costs have been finalized.

Using a SIB as a Financing Conduit

If a State Infrastructure Bank (SIB) is serving as issuer of GARVEE Bonds on behalf of a project, the reimbursement of debt service with Federal-aid would *not* be treated as SIB capitalization grants under the NHS Act, section 350. For Federal purposes, any public agency (including a SIB) could serve as the issuer of the bonds (financing conduit) without affecting the eligibility of Federal-aid reimbursements under section 122.

Questions

Questions concerning these guidelines should be directed to Max Inman, Chief, Federal-aid Financial Management Division, Federal Highway Administration, (202)-366-2853.

Return to Garvee Bond Memorandum

Appendix H

Authority to Issue Bonds (Section 67-3-59.1 NMSA 1978)

67-3-59.1. State highway debentures; issuance; limits; approval; coupons.

A. In order to provide funds to finance state highway projects, including state highway projects that are required for the waste isolation pilot project and are eligible for federal reimbursement or payment as authorized by federal legislation, the state highway commission is authorized, subject to the limitations of this section, to issue bonds from time to time, payable from federal funds not otherwise obligated that are paid into the state road fund, the proceeds of the collection of taxes and fees that are required by law to be paid into the state road fund and not otherwise pledged solely to the payment of outstanding bonds and debentures.

B. Except as provided in Subsections C and D of this section, the total aggregate outstanding principal amount of bonds issued from time to time pursuant to this section, secured by or payable from federal funds not otherwise obligated that are paid into the state road fund and the proceeds from the collection of taxes and fees required by law to be paid into the state road fund, shall not, without additional authorization of the state legislature, exceed one hundred fifty million dollars ($150,000,000) at any given time, subject to the following provisions:

(1) the total aggregate outstanding principal amount of bonds issued for state highway projects that are required for the waste isolation pilot project and are eligible for federal reimbursement or payment as authorized by federal legislation shall not exceed one hundred million dollars ($100,000,000); and

(2) the total aggregate outstanding principal amount of bonds issued for state highway projects other than state highway projects that are required for the waste isolation pilot project and are eligible for federal reimbursement or payment as authorized by federal legislation shall not exceed fifty million dollars ($50,000,000).

C. Upon specific authorization and appropriation by the legislature, and subject to the limitations of Subsection D of this section, an additional amount of bonds may be issued pursuant to this section for state highway projects, to be secured by or payable from taxes or fees required by law to be paid into the state road fund and federal funds not otherwise obligated that are paid into the state road fund, and, as applicable, taxes or fees required by law to be paid into the highway infrastructure fund, as follows:

(1) an aggregate outstanding principal amount of bonds, not to exceed six hundred twenty-four million dollars ($624,000,000), for major highway infrastructure projects for which the department has, prior to January 1, 1998,

submitted or initiated the process of submitting a plan to the federal highway administration for innovative financing pursuant to 23 USCA Sections 122 and 307;

(2) an aggregate outstanding principal amount of bonds, not to exceed one hundred million dollars ($100,000,000), for state highway projects that are required for the waste isolation pilot project and are eligible for federal reimbursement; and

(3) an aggregate outstanding principal amount of bonds, not to exceed four hundred million dollars ($400,000,000), for other state highway projects.

D. The total amount of bonds that may be issued by the state highway commission for state highway projects pursuant to Subsection C of this section shall not exceed a total aggregate outstanding principal amount of:

(1) three hundred million dollars ($300,000,000) prior to July 1, 1999;

(2) six hundred million dollars ($600,000,000) from July 1, 1999 through June 30, 2000;

(3) nine hundred million dollars ($900,000,000) from July 1, 2000 through June 30, 2001; and

(4) one billion one hundred twenty-four million dollars ($1,124,000,000) after June 30, 2001.

E. The state highway commission may issue bonds to refund other bonds issued pursuant to this section by exchange or current or advance refunding.

F. Each series of bonds shall have a maturity of no more than twenty-five years from the date of issuance. The state highway commission shall determine all other terms, covenants and conditions of the bonds; provided that the bonds shall not be issued pursuant to this section unless the state board of finance approves the issuance of the bonds and the principal amount of and interest rate or maximum net effective interest rate on the bonds.

G. The bonds shall be executed with the manual or facsimile signature of the chairman of the state highway commission, countersigned by the state treasurer and attested to by the secretary of the state highway commission, with the seal of the state highway commission imprinted or otherwise affixed to the bonds.

H. Proceeds of the bonds may be used to pay expenses incurred in the preparation, issuance and sale of the bonds and, together with the earnings on the proceeds of the bonds, may be used to pay rebate, penalty, interest and other obligations relating to the bonds and the proceeds of the bonds under the Internal Revenue Code of 1986, as amended.

I. The bonds may be sold at a public or negotiated sale at, above or below par or through the New Mexico finance authority. Any negotiated sale shall be made with one or more investment banker [bankers] whose services are obtained through a competitive proposal process. For any sale, the state highway commission or the New Mexico finance authority shall also procure the services of any financial advisor or bond counsel through a competitive proposal process. If sold at public sale, a notice of the time and place of sale shall be published in a newspaper of general circulation in the state, and in any other newspaper determined in the resolution authorizing the issuance of the bonds, once each week for two consecutive weeks prior to the date of sale. The bonds may be purchased by the state treasurer or state investment officer.

J. This section is full authority for the issuance and sale of the bonds, and the bonds shall not be invalid for any irregularity or defect in the proceedings for their issuance and sale and shall be incontestable in the hands of bona fide purchasers or holders of the bond for value.

K. The bonds shall be legal investments for any person or board charged with the investment of public funds and may be accepted as security for any deposit of public money and, with the interest thereon, are exempt from taxation by the state and any political subdivision or agency of the state.

L. Any law authorizing the imposition or distribution of taxes or fees paid into the state road fund or the highway infrastructure fund or that affects those taxes and fees shall not be amended or repealed or otherwise directly or indirectly modified so as to impair any outstanding bonds secured by a pledge of revenues from those taxes and fees paid into the

state road fund or the highway infrastructure fund, unless the bonds have been discharged in full or provisions have been made for a full discharge. In addition, while any bonds issued by the state highway commission pursuant to the provisions of this section remain outstanding, the powers or duties of the commission shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holder of such bonds.

M. In contracting for state highway projects to be paid in whole or in part with proceeds of bonds authorized by this section, the department shall require that any sand, gravel, caliche or similar material needed for the project shall, if practicable, be mined from state lands. Each contract shall provide that the contractor notify the commissioner of public lands of the need for the material and that, through lease or purchase, the material shall be mined from state lands if:

(1) the material needed is available from state lands in the vicinity of the project;

(2) the commissioner determines that the lease or purchase is in the best interest of the state land trust beneficiaries; and

(3) the cost to the contractor for the material, including the costs of transportation, is competitive with other available material from non-state lands.

N. Bonds issued pursuant to this section shall be paid solely from federal funds not otherwise obligated and taxes and fees deposited into the state road fund and, as applicable, the highway infrastructure fund, and shall not constitute a general obligation of the state.

History: 1978 Comp., § 67-3-59.1, enacted by Laws 1989, ch. 157, § 1; 1991, ch. 9, § 41; 1998, ch. 86, § 1; 1999 (1st S.S.), ch. 9, § 4.

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