

LEGISLATURE

Transportation bonding package passes New Mexico Senate



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Legislation that aims to address New Mexico's \$7.5 billion transportation funding shortfall passed the state Senate recently, according to Gov. Michelle Lujan Grisham's office.

Senate Bill 2 would authorize up to \$1.5 billion in transportation bonds to fund state road projects and allow the state to leverage federal funds and free up general fund dollars for local improvements.

The bill passed in the Senate with a 31 to 9 vote on Jan. 23 and moves to the House of Representatives. In a news release from the governor's office after the vote, the bill was described as one of the Governor's priority pieces of legislation during the ongoing 30-day legislative session.

"New Mexicans deserve roads and bridges that are safe, reliable and built to last, and that takes sustained investment," Lujan Grisham said in a news release. "This bill gives us the tools to get major projects done in all corners of the state, while providing more stability for the hard-working New Mexicans who build our roads. We're making a long-term commitment to our infrastructure because our economy and our communities depend on it."

The Governor's news release referenced a [January 2026 report by TRIP](#), a national transportation research organization, found that 56% of state and local roads in New Mexico are in poor or mediocre condition, costing drivers \$3.3 billion each year in vehicle repairs, fuel consumption and lost time.

According to the report, The New Mexico Department of Transportation (NMDOT) has identified more than \$7.5 billion in needed but unfunded transportation projects throughout the state. The report highlights 10 projects identified by NMDOT in southwest New Mexico and the border region with an estimated cost of approximately \$1.5 billion.

The legislation allows the State Transportation Commission authority to issue bonds over multiple years to stabilize funding for critical state road and bridge projects. The bonds would fund projects included in the State Transportation Improvement Plan and require annual legislative reporting.

The bonding package would generate at least \$70 million each year in new, recurring revenue without raising fuel taxes. The bill would impose a 35% increase to the weight distance tax from heavy commercial vehicles, which would generate \$37.8 million each year; a 25% increase to vehicle registration fees, which would generate \$31.4 million each year; and a new electric and hybrid vehicle surcharge, which would generate \$700,000 each year. The revenue will flow into the state road fund, covering debt service on the bonds, according to a news release.