

ERRORS OF Enchantment

New Mexico Department of Transportation: \$7.5 billion needed projects to address deteriorating roads

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New Mexico's deteriorating roads is a big problem. This is true despite fact that New Mexico is awash in money AND the fact that the Legislature passed and [MLG signed legislation last session with the intent of increasing transportation spending](#). The Legislature and Gov. are relying on debt and fee (tax) increases to fund the \$1.5 billion in increased spending.

Unfortunately, according to [Source NM](#), New Mexico Department of Transportation identified \$7.5 billion in needed projects to address the problem. Furthermore,

According to a 2026 [report](#) by TRIP, a national transportation research nonprofit, 56% of all major locally and state-maintained roads in New Mexico are in "poor or mediocre condition." **Driving on rough roads costs the average New Mexico driver \$1,043 annually in additional vehicle operating costs — a total of \$1.6 billion statewide, according to the report.**

The current funding gap remains nearly six times higher than in 2017, when NMDOT identified \$1.3 billion in needed but unfunded projects.

What is to be done? [There is \(of course\) always an interest in raising the gas tax](#). Rio Grande Foundation has advocated using general fund or even permanent fund revenues to address New Mexico's road issues as well. But there MAY be an even simpler solution:

According to a separate [Source NM](#) report New Mexico ironically has just about enough unspent capital outlay money to address the issue. According to [a new Legislative Finance Committee analysis](#). "About \$7.6 billion intended for more than 6,400 big-budget projects across New Mexico remained unspent at the end of last fiscal year."

While shifting ALL of the \$7.6 billion in unspent capital outlay money may not be possible, it is hard to believe that perhaps half of those dollars couldn't be shifted to actual road projects. \$3.8 billion or so would go a long way to improving NM's roads.