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HOUSE BILL 75

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Debra M. Sariñana

AN ACT

RELATING TO SCHOOLS; PROVIDING SCHOOL DISTRICTS THE OPTION TO REPLACE SCHOOL BUSES WITH ELECTRIC OR ZERO EMISSION ALTERNATIVE FUEL SCHOOL BUSES; ALLOWING SCHOOL DISTRICTS TO ENTER INTO AGREEMENTS FOR THE USE OF THEIR ELECTRIC SCHOOL BUSES AS ELECTRICAL ENERGY STORAGE FOR PROVIDING GRID SERVICES OR FOR USE BY SCHOOLS; TASKING THE BOARD OF REGENTS OF NEW MEXICO STATE UNIVERSITY WITH CONDUCTING A STATEWIDE STUDY ON THE FEASIBILITY AND COSTS FOR EACH SCHOOL DISTRICT TO TRANSITION TO ELECTRIC SCHOOL BUSES AND PROVIDING A REPORT DETAILING THE NECESSARY STEPS AND COSTS FOR EACH SCHOOL DISTRICT TO MOST OPTIMALLY TRANSITION TO ELECTRIC SCHOOL BUSES; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 22-8-27 NMSA 1978 (being Laws 1967,

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1 Chapter 16, Section 77, as amended) is amended to read:

2 "22-8-27. TRANSPORTATION EQUIPMENT.--

3 A. The department shall establish a systematic  
4 program for the purchase of necessary school bus transportation  
5 equipment.

6 B. In establishing a system for the replacement of  
7 school-district-owned buses, the department shall provide for  
8 the replacement of school buses on a twelve-year cycle. The  
9 department shall provide school districts the option to replace  
10 a school bus with an electric or a zero emission alternative  
11 fuel school bus. School districts requiring additional buses  
12 to accommodate growth in the school district or to meet other  
13 special needs may petition the department for additional buses.  
14 Under exceptional circumstances, school districts may also  
15 petition the department for permission to replace buses prior  
16 to the completion of a twelve-year cycle or to use buses in  
17 excess of twelve years contingent upon satisfactory annual  
18 safety inspections.

19 C. In establishing a system for the use of  
20 contractor-owned buses by school districts or state-chartered  
21 charter schools, the department shall establish a schedule for  
22 the payment of rental fees for the use of contractor-owned  
23 buses. The department shall establish procedures to ensure the  
24 systematic replacement of buses on a twelve-year replacement  
25 cycle. School districts requiring additional buses to

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1 accommodate growth in the school district or to meet other  
2 special needs may petition the department for additional buses.  
3 Under exceptional circumstances, school districts may also  
4 petition the department for permission to replace buses prior  
5 to the completion of a twelve-year cycle or to use buses in  
6 excess of twelve years contingent upon satisfactory annual  
7 safety inspections.

8 D. The school district shall file a lien on every  
9 contractor-owned school bus under the contract, which lien  
10 shall have priority second only to a lien securing a purchase-  
11 money obligation. The school district shall perfect its lien  
12 on each contractor-owned school bus by filing the lien with the  
13 motor vehicle division of the taxation and revenue department.  
14 The lien shall be recorded on the title of the school bus. A  
15 school bus contractor shall not refinance or use a school bus  
16 on which a school district has a lien as collateral for any  
17 other loan without prior written permission of the department.  
18 A school bus lien shall be collected and enforced as provided  
19 in Chapter 55, Article 9 NMSA 1978. The school district shall  
20 release its lien on a school bus:

21 (1) when the department authorizes a  
22 replacement of the school bus; or

23 (2) when the contractor has reimbursed the  
24 school district the amount calculated pursuant to Subsection E  
25 of this section if the school bus service contract is

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1 terminated or not renewed and the contractor owes the school  
2 district as provided in that subsection.

3 E. No school district shall pay rental fees for any  
4 one bus for a period in excess of five years. In the event a  
5 school bus service contract is terminated or not renewed by  
6 either party, the department shall calculate the remaining  
7 number of years that a bus could be used based on a twelve-year  
8 replacement cycle and calculate a value reflecting that use.  
9 The school district shall deduct an amount equal to that value  
10 from any remaining amount due on the contract, or if no balance  
11 remains on the contract, the contractor shall reimburse the  
12 school district an amount equal to the value calculated.

13 F. If the school district fails to take action to  
14 collect money owed to it when a school bus contract is  
15 terminated or not renewed, the department may deduct the amount  
16 from the school district's transportation distribution.

17 G. If a school district chooses to replace a school  
18 bus with an electric or a zero emission alternative fuel school  
19 bus, the department shall provide that school district with no  
20 less funding per bus than it would provide for a diesel school  
21 bus replacement. If sufficient school bus replacement funds  
22 are available, the department may provide additional funding  
23 for an electric or a zero emission alternative fuel school bus  
24 and related charging infrastructure."

25 SECTION 2. [NEW MATERIAL] ELECTRIC SCHOOL BUS ALTERNATIVE

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1 USES--SUPERINTENDENT AGREEMENTS.--

2 A. Electric school buses owned, leased or purchased  
3 by the state may, when not in use by the school district for  
4 the transportation of students, be used as electrical energy  
5 storage for:

6 (1) providing grid services; or

7 (2) use by schools to reduce daily electrical  
8 demand and for electric supply in an emergency, as determined  
9 and declared by the superintendent of the school district that  
10 owns, leases or purchased the electric school bus.

11 B. Prior to an electric school bus or its battery  
12 being used pursuant to this section, the superintendent of the  
13 school district that owns, leases or purchased the electric  
14 school bus shall negotiate an agreement with a school, electric  
15 utility or cooperative service, in compliance with applicable  
16 code and safety requirements, for the use, compensation or  
17 testing of the bidirectional charging capability of the school  
18 bus or its battery.

19 SECTION 3. TEMPORARY PROVISION--STATEWIDE STUDY ON  
20 TRANSITION TO ELECTRIC SCHOOL BUSES.--

21 A. The board of regents of New Mexico state  
22 university shall study and report on the feasibility and  
23 requisite actions, costs and infrastructure for each school  
24 district to transition to electric school buses and related  
25 grants and incentive opportunities. The report shall include:

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1 (1) an analysis of whether each school  
2 district could feasibly use electric school buses, considering  
3 the school bus route lengths and times and whether the school  
4 district operates the school bus fleet or contracts for the  
5 service; and

6 (2) for those school districts for which an  
7 electric school bus fleet would be feasible:

8 (a) the costs for each school district  
9 to purchase electric school buses or convert its existing fleet  
10 to electric, build the necessary charging stations and charging  
11 infrastructure and make the necessary electrical changes;

12 (b) an analysis of whether one-sided or  
13 two-sided charging stations, to allow for public use, would be  
14 possible and optimal; and

15 (c) a blueprint detailing the necessary  
16 steps for each school district to most optimally transition to  
17 an electric school bus fleet.

18 B. By August 1, 2025, the report shall be completed  
19 and copies transmitted to the secretary of public education,  
20 the superintendent of each school district and the chairs of  
21 the legislative education study committee, the interim  
22 committee that studies science, technology and  
23 telecommunications and the interim committee that studies  
24 transportation infrastructure revenue.

25 SECTION 4. APPROPRIATIONS.--

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1           A. Four hundred thousand dollars (\$400,000) is  
2 appropriated from the general fund to the board of regents of  
3 New Mexico state university for expenditure in fiscal years  
4 2024 and 2025 to conduct the study and prepare the report  
5 pursuant to Section 3 of this act. Any unexpended or  
6 unencumbered balance remaining at the end of fiscal year 2025  
7 shall revert to the general fund.

8           B. One hundred thousand dollars (\$100,000) is  
9 appropriated from the general fund to the public education  
10 department for expenditure in fiscal year 2025 for the state  
11 transportation division to develop expertise on electric buses,  
12 charging stations, related infrastructure and electrical  
13 changes, share this expertise with school districts and assist  
14 school districts with federal grant applications for electric  
15 school buses, charging stations and related infrastructure and  
16 electrical changes. Any unexpended or unencumbered balance  
17 remaining at the end of fiscal year 2025 shall revert to the  
18 general fund.