



RE: SB 2 State Highway Project Bonds – NMBC Opposes

Dear Chair and Members of the Committee,

I write in opposition to **SB 2** due to its reliance on **significant motor-vehicle and weight-based fee increases**, which disproportionately burden individuals, trucking companies, and any business that relies on goods shipped by truck.

As written, SB 2 dramatically increases registration and weight fees on heavier vehicles — particularly those used for commercial hauling and freight transport. These are not optional costs. They fall directly on truckers, delivery services, construction companies, agricultural producers, retailers, and manufacturers who move goods every day across New Mexico.

Those increased costs do not stop with the trucking industry. They are passed on through the supply chain and ultimately show up as **higher prices for consumers** — affecting groceries, building materials, fuel, medicine, and everyday household goods. At a time when New Mexicans are already struggling with inflation, rising housing costs, and higher utility bills, SB 2 adds another layer of unavoidable expense.

Small trucking businesses and independent operators will be hit hardest. Unlike large national carriers, many local New Mexico operators operate on thin margins and have limited ability to absorb new fees. Higher registration and weight costs may force them to reduce routes, delay equipment upgrades, or raise rates — all of which ripple through local economies, especially in rural areas that depend on truck delivery for basic necessities.

Importantly, this bill uses **fee increases as a backdoor tax** to finance up to **\$130 million in highway bonds**, placing the financial burden squarely on those who move goods rather than addressing transportation funding through broader, more balanced means. Every mile traveled by a truck becomes more expensive, even though those trucks are essential to keeping shelves stocked and businesses operating.

New Mexico needs safe, well-maintained roads. But funding infrastructure should not come at the expense of affordability for families or the viability of local businesses. When shipping costs rise, **everything costs more**, and the people who pay are not bondholders — they are working families and small employers.

For these reasons, I respectfully urge you to **oppose SB 2** and do not further increase the cost of living or penalize commerce that is vital to New Mexico's economy.

Thank you for your time and consideration. Please see addendum.

Sincerely,

A handwritten signature in blue ink that reads "Carla J. Sonntag".

Carla J. Sonntag
President & CEO

Addendum

SB 2 – Taxes & Fee Increases Summary

Estimated Real-World Impact Examples

| Vehicle Type | Annual Increase |
|--------------------------------|---|
| Typical sedan (over 3,000 lbs) | +\$8.00 per year |
| Older sedan (5+ years) | +\$7.25 per year |
| EV (2029 forward) | +\$90 annually |
| Plug-in Hybrid (2029 forward) | +\$45 annually |
| Heavy truck (80,000 lbs) | Significant per-mile increase depending on miles driven |

1 Weight Distance Tax (Commercial Trucks – Not Buses)

Effective July 1, 2026

SB 2 increases the **weight distance tax (mills per mile)** on heavy commercial vehicles.

⚠ The bill replaces the existing schedule with the following higher rates:

Declared Gross Weight New Rate (Mills per Mile)

| | |
|-------------------|-------|
| 26,001–28,000 lbs | 14.86 |
| 28,001–30,000 | 16.04 |
| 30,001–32,000 | 17.24 |
| 32,001–34,000 | 18.41 |
| 34,001–36,000 | 19.60 |
| 36,001–38,000 | 20.78 |
| 38,001–40,000 | 22.59 |
| 40,001–42,000 | 24.37 |
| 42,001–44,000 | 26.14 |
| 44,001–46,000 | 27.93 |
| 46,001–48,000 | 29.71 |
| 48,001–50,000 | 31.50 |
| 50,001–52,000 | 33.28 |
| 52,001–54,000 | 35.05 |
| 54,001–56,000 | 36.84 |
| 56,001–58,000 | 38.64 |
| 58,001–60,000 | 40.41 |
| 60,001–62,000 | 42.17 |
| 62,001–64,000 | 43.98 |
| 64,001–66,000 | 45.77 |
| 66,001–68,000 | 47.53 |
| 68,001–70,000 | 49.30 |
| 70,001–72,000 | 51.11 |
| 72,001–74,000 | 53.00 |
| 74,001–76,000 | 54.96 |
| 76,001–78,000 | 56.98 |

Declared Gross Weight New Rate (Mills per Mile)

78,001+ 59.10

Impact:

- Applies to trucking businesses and heavy commercial vehicles
- Raises per-mile operating costs
- Will flow into freight rates and consumer prices statewide

2 Passenger Vehicle Registration Fee Increases

Effective July 1, 2026

SB 2 increases annual registration fees:

Vehicle Weight (Factory Shipping Weight) Previous Fee New Fee Increase

| | | | |
|-----------------|---------|----------------|---------|
| ≤ 2,000 lbs | \$27.00 | \$33.75 | +\$6.75 |
| After 5 years | \$21.00 | \$26.25 | +\$5.25 |
| 2,001–3,000 lbs | \$43.00 | \$48.75 | +\$5.75 |
| After 5 years | \$34.00 | \$38.75 | +\$4.75 |
| Over 3,000 lbs | \$62.00 | \$70.00 | +\$8.00 |
| After 5 years | \$49.00 | \$56.25 | +\$7.25 |

 Also includes:

- \$1.50 tire recycling fee (continues; distribution adjusted)

Impact:

- Every New Mexico passenger vehicle pays more annually
- Larger vehicles see highest dollar increase

3 NEW Electric Vehicle (EV) Annual Registration Fee

Effective January 1, 2027

Applies to EVs under 26,000 lbs.

| Year | Annual Fee |
|----------------|------------|
| 2027 | \$70 |
| 2028 | \$80 |
| 2029 and after | \$90 |

 This is a **new fee** — previously \$0.

4 NEW Plug-In Hybrid Vehicle Fee

Effective January 1, 2027

| Year | Annual Fee |
|----------------|------------|
| 2027 | \$35 |
| 2028 | \$40 |
| 2029 and after | \$45 |

 Also a brand-new annual surcharge.