

FOR IMMEDIATE RELEASE

January 9, 2024

NM HOUSE REPUBLICANS REV UP OPPOSITION AGAINST EV MANDATE

SANTA FE, NM—In a letter sent to the Governor, State Representatives Jim Townsend (R-Artesia), Larry Scott (R-Hobbs), and Rod Montoya (R-Farmington) ask the Governor to consider adding House Bill 76, which repeals a recent rule that will increase vehicle prices for New Mexicans, to floor debate.

The recent rule adopted by the Environmental Improvement Board (EIB) mandates, starting in 2026, that 43% of an auto dealers' fleet to New Mexico be zero emissions. That percentage increases to 82% by 2032.

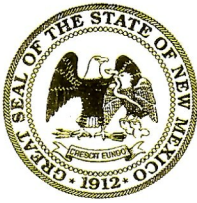
Rep. Townsend stated, "an unelected board should not make decisions that adversely affect the market and regulate the types of cars consumers can purchase. This decision is meant for elected representatives to discuss and debate in our State Capitol." The EIB voted in favor of the rule by a 3-2 vote and House Republicans agree that the rule is premature due to a rising concern over accessibility in a rural state, charging issues, infrastructure costs, and consumer demand.

Manufacturing projections of electric vehicles are also of concern. Rep. Larry Scott said, "major auto manufacturers are scaling back their investments into more EV production because consumer demand is lagging, and the last thing we need is a transportation supply chain crisis paired with higher prices and fewer choices for New Mexicans." It has been widely reported that major auto dealers are readjusting their EV production due to weak sales and fragile consumer buy-in.

Electric vehicles are, on average, \$10,000 more than your standard gas-powered vehicle which puts New Mexicans in a difficult financial reality, not to mention the state would need to invest hundreds of millions of dollars to retrofit the electric grid to support this mandate, providing charging stations and other infrastructure throughout the fifth largest state in the union, all at the expense of the taxpayer. Rep. Montoya concluded, "we believe in free markets and trust the consumer to make decisions that best fits their preferences and situation. Santa Fe should not control the market; that's up to New Mexicans."

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The letter to the Governor and the bill are attached to this press release



State of New Mexico
House of Representatives

State Capitol
Santa Fe

January 9, 2024

The Honorable Michelle Lujan Grisham
Governor, State of New Mexico
State Capitol, Room 400
480 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Dear Governor:

We are writing to request a special message for the upcoming legislative session that would allow the Legislature to consider House Bill 76, which would repeal the recently adopted administrative rule by the Environmental Improvement Board (EIB) that imposes a mandate on motor vehicle manufacturers as to the percentage of new motor vehicles sold in New Mexico after model year 2027 that must be zero emission.

The introduction of HB 76 is necessitated due to our belief that an unelected, governor-appointed board should not be making any determination which dictates the market and the types of vehicles that consumers will be able to purchase in the future. Rather, a decision of this magnitude, both in terms of financial and non-financial burdens placed on New Mexico's families and businesses, should be fully debated and considered by the entire Legislature. Further, EIB's rule making process should never be utilized as a mechanism to legislate and side-step the authority of the legislative branch in setting important environmental and economic policies that impact every New Mexican.

Legislation to overturn this new EIB administrative rule should also be allowed to be considered by the Legislature to ensure that rural New Mexico residents have a needed voice in determining whether this new rule is in the best interest of our state. As adopted by the EIB on a very close vote of 3-2, the new rule fails to consider the realities that rural New Mexico residents must travel long distances to go to work, secure healthcare, market products and services, and buy necessary goods. This lack of concern for rural New Mexico is evident by the refusal of the EIB to consider facts related to the limited range of electric vehicles (EVs), the lack of EV charging stations across the state, the inability of the electricity grid in rural areas to permit home charging of EVs, and the much higher costs of EVs compared to fossil fuel powered motor vehicles. In short, this new rule will make it impossible for many New Mexico consumers to purchase a new vehicle in the future and/or they will be forced to go to a neighboring state to purchase a new vehicle that is more accessible and affordable.

Equally important, it must be noted that all of the major auto manufacturers are scaling back their investments into more EV production due to lagging consumer demand. For example, Ford Motor company has announced it will delay \$12 billion of its planned \$15 billion in EV-related investments, including pushing back the planned start-up of a second battery plant in Kentucky. General Motors Corporation has stated it will be delaying plans to expand electric pick-up truck production at a plant in suburban Detroit. In turn, these delayed investments will very likely create a supply-chain crisis of

available new EVs right at the time EIB's rule will be requiring more EVs into the New Mexico marketplace. The result will be even higher prices and fewer choices for New Mexicans.

Therefore, the consideration of HB 76 is an important issue to many rural residents, as well as urban residents, as it intrudes into the decision-making process of many New Mexico residents as to what type of motor vehicle best fits their budget and needs. Further, we believe public policy should continue to promote the free-market system and allow our citizens, not an unelected government entity, to determine whether they should purchase an EV or a fossil fuel powered vehicle. Therefore, we encourage you to provide a special message for HB xxx to permit a full and well-considered debate in the Legislature on EIB's recent administrative rule.

Thank you for your consideration of our request.

Sincerely,



James G. Townsend
State Representative District 54



Rod Montoya
State Representative District 1



Larry R. Scott
State Representative District 62

HOUSE BILL

76

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

INTRODUCED BY
James G. Townsend
Larry R. Scott
Rod Montoya

AN ACT

RELATING TO THE ENVIRONMENT; PROHIBITING THE ADOPTION OF
CERTAIN RULES RELATING TO THE PRODUCTION AND DELIVERY FOR SALE
OF ZERO-EMISSION VEHICLES.

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

SECTION 1. A new section of the Air Quality Control Act
is enacted to read:

"[NEW MATERIAL] RESTRICTING RULES RELATING TO THE
PRODUCTION AND DELIVERY FOR SALE OF ZERO-EMISSION VEHICLES.--
The environmental improvement board shall not adopt or continue
in effect a rule that requires a manufacturer to produce or
deliver for sale a certain percentage of zero-emission vehicles
for a model year to control motor vehicle emissions or for any
other lawful purpose."

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[bracketed material] = delete