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_____ BILL

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO THE LOCAL GOVERNMENTS ROAD FUND; PERMITTING THE DEPARTMENT OF TRANSPORTATION TO PURCHASE AUTOMOTIVE, MAJOR ROAD AND MISCELLANEOUS EQUIPMENT FOR LAND GRANTS-MERCEDES UNDER CERTAIN CIRCUMSTANCES.

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

SECTION 1. Section 67-3-28.2 NMSA 1978 (being Laws 1986, Chapter 20, Section 125, as amended) is amended to read:

"67-3-28.2. LOCAL GOVERNMENTS ROAD FUND CREATED-- USES.--

A. There is created in the state treasury the "local governments road fund" to be administered by the department. All income received from investment of the fund shall be credited to the fund. No money in the fund shall be used by the department to administer any program, and except as

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1 provided in Subsection E of this section, no entity receiving a
2 distribution pursuant to a program requiring matching funds
3 shall use another distribution made pursuant to this section to
4 meet the match required.

5 B. ~~[No more than]~~ The department may use up to five
6 hundred thousand dollars (\$500,000) annually from the local
7 governments road fund, ~~[shall be used by the department]~~ to
8 purchase at fair market value, for municipalities, ~~[and]~~
9 counties and land grants-mercedes that can demonstrate
10 financial hardship as determined by the department, automotive,
11 major road and miscellaneous equipment that would otherwise be
12 sold at auction by the department as unusable for department
13 purposes. The department shall adopt rules setting the
14 procedure to carry out the purposes of this subsection.

15 C. Except for the amounts in Subsections B and E of
16 this section, money in the local governments road fund shall be
17 distributed in the following amounts for the specified
18 purposes:

19 (1) forty-two percent for the cooperative
20 agreements program, to be used solely for the cooperative
21 agreements entered into pursuant to Section 67-3-28 NMSA 1978
22 and in accordance with the match authorized pursuant to Section
23 67-3-32 NMSA 1978; provided, however, that distribution amounts
24 made pursuant to this paragraph in each year shall be based on
25 the following allocations:

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1 (a) thirty-three percent for agreements
2 entered into with counties;

3 (b) forty-nine percent for agreements
4 entered into with municipalities;

5 (c) fourteen percent for agreements
6 entered into with school districts; and

7 (d) four percent for agreements entered
8 into with other entities;

9 (2) sixteen percent for the municipal arterial
10 program, to be used solely for the necessary project
11 development, construction, reconstruction, improvement,
12 maintenance, repair and right-of-way and material acquisition
13 of and for those streets that are principal extensions of rural
14 state highways and of other streets not on the state highway
15 system but that qualify under the designated criteria
16 established by the department. In entering into agreements
17 with municipalities to provide funds for any project qualifying
18 for the municipal arterial program, the department shall give
19 preference to municipalities that contribute an amount equal to
20 at least twenty-five percent of the project cost, including a
21 contribution made through funding received pursuant to
22 Subsection E of this section;

23 (3) sixteen percent for school bus routes, to
24 be used solely for cooperative agreements entered into pursuant
25 to Section 67-3-28 NMSA 1978 and in accordance with the match

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1 authorized pursuant to Section 67-3-32 NMSA 1978 for acquiring
2 rights of way and constructing, maintaining, repairing,
3 improving and paving school bus routes and public school
4 parking lots; and

5 (4) twenty-six percent for the county arterial
6 program, to be used for project development, construction,
7 reconstruction, improvement, maintenance, repair and right-of-
8 way and material acquisition of and for county roads for which
9 individual counties have prioritized road projects. Prior to
10 entering into any agreements for projects with the counties for
11 the following fiscal year, in June of each year the department
12 shall determine and certify the amount to which each county is
13 entitled pursuant to the following schedule:

14 Road Mileage Category Based on	
15 Number of Miles Maintained	
16 by a County:	Entitlement to County:
17 400 miles or under	\$250 for each mile
18 401 to 800 miles	\$100,000 plus \$200 for each
19	mile over 400 miles
20 801 to 1,200 miles	\$180,000 plus \$150 for each
21	mile over 800 miles
22 1,201 to 1,600 miles	\$240,000 plus \$100 for each
23	mile over 1,200 miles
24 Over 1,600 miles	\$300,000 plus \$50 for each
25	mile over 1,600 miles.

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1 If in any year there is an insufficient amount in the fund
2 of the county arterial program to certify the total amount to
3 which all counties are entitled, the department shall decrease
4 the entitlement amount due to each county in the same
5 proportion as the insufficiency is to the total entitlements to
6 all counties. Distribution of an entitlement amount and an
7 agreement entered into with a county for any of the purposes
8 for which the money may be spent requires an amount from the
9 county equal to at least twenty-five percent of the
10 entitlement. The county contribution may be made through funds
11 received pursuant to Subsection E of this section. Any
12 uncommitted or unencumbered balance remaining in the county
13 arterial program fund at the end of a fiscal year shall be
14 transferred to the cooperative agreements program specified in
15 Paragraph (1) of this subsection for additional funding of that
16 program in the next fiscal year.

17 D. The department may transfer funds from the state
18 road fund to the local governments road fund to facilitate cash
19 flow for the funding of these local governments road projects.
20 The administrator of the local governments road fund shall
21 reimburse the state road fund in a timely manner for any such
22 transfers.

23 E. The department may distribute up to one million
24 dollars (\$1,000,000) per calendar year of the money in the
25 local governments road fund to municipalities and counties that

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1 can demonstrate financial hardship, for use as all or a portion
2 of the municipality's or county's matching fund requirements
3 pursuant to this section. In order to qualify for matching
4 funds under this subsection, a county or municipality shall
5 provide the department with a financial hardship qualification
6 certificate issued by the department of finance and
7 administration."

8 SECTION 2. EFFECTIVE DATE.--The effective date of the
9 provisions of this act is July 1, 2019.