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AN ACT

RELATING TO FINANCE; AMENDING THE NEW MEXICO FINANCE
AUTHORITY ACT TO ADD A REQUIREMENT FOR LEGISLATIVE APPROVAL
OF LOCAL TRANSPORTATION INFRASTRUCTURE FUND PROJECTS.

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

Section 1. Section 6-21-6.8 NMSA 1978 (being Laws 2005,
Chapter 262, Section 1) is amended to read:

"6-21-6.8. LOCAL TRANSPORTATION INFRASTRUCTURE FUND--
CREATION--PURPOSE--ADMINISTRATION.--

A. The "local transportation infrastructure fund"
is created within the authority. For the purposes of this
section, "fund" means the local transportation infrastructure
fund. The fund shall be administered by the authority as a
separate account, but may consist of subaccounts if the
authority deems them necessary to carry out the purposes of
the fund. The authority shall adopt rules in accordance with
the New Mexico Finance Authority Act necessary to administer
the fund.

B. The following shall be deposited directly into
the fund:

(1) beginning July 1, 2005, one-half of the
annual administrative fee received by the authority for
issuing state transportation bonds pursuant to Sections
67-3-59.3 and 67-3-59.4 NMSA 1978;

1 (2) money from the payment of principal and
2 interest on loans and payments of principal and interest on
3 securities held by the authority for local transportation
4 projects;

5 (3) money appropriated by the legislature to
6 implement the provisions of this section; and

7 (4) other public or private money
8 appropriated, dedicated or allocated to the fund for the
9 purpose of financing local transportation projects.

10 C. For the purposes of this section, "local
11 transportation projects" means local transportation projects
12 of qualified entities authorized specifically by law as
13 provided in Subsection F of this section.

14 D. Money in the fund is appropriated to the
15 authority to pay the reasonable and necessary costs of
16 originating and servicing loans, grants or securities funded
17 by the fund and to make loans or grants and to purchase or
18 sell securities to assist qualified entities in financing
19 local transportation projects in accordance with the New
20 Mexico Finance Authority Act.

21 E. The authority may make grants from the fund to
22 qualified entities for local transportation projects when:

23 (1) a grant is not more than twenty-five
24 percent of the total project cost; and

25 (2) a qualified entity demonstrates that it

1 has available or a binding commitment from another person to
2 make available for a project the portion of the total project
3 cost not provided by the grant. The qualified entity may
4 enter into a loan agreement or an agreement to sell the
5 qualified entity's securities with the authority, or the
6 qualified entity may use another source of money available
7 for the project, to provide the costs not covered by the
8 grant.

9 F. No later than December 15 of each year, the
10 secretary of transportation, using the department of
11 transportation's metropolitan planning organization and
12 regional planning organization planning process, shall submit
13 a prioritized list of local transportation projects to the
14 authority that the metropolitan planning organizations and
15 regional planning organizations have determined are
16 appropriate for grants or other funding support pursuant to
17 this section. The list of local transportation projects
18 shall be submitted to the legislature for specific
19 authorization by law. The authority shall act on local
20 transportation projects in the priority approved by the
21 legislature; provided that the authority, based on the
22 availability of money in the fund, may determine that a
23 qualified entity shall receive a grant or other funding
24 support for a project out of the order of priority it would
25 otherwise have had or that no grant or other funding support

1 be provided for the project. The rules of the authority for
2 administration of the fund may set a maximum amount of grant
3 or other funding support for a local transportation project.

4 G. Money in the local transportation
5 infrastructure fund not needed for immediate disbursement,
6 including money held in reserve, may be deposited with the
7 state treasurer for short-term investment pursuant to Section
8 6-10-10.1 NMSA 1978 or may be invested in direct and general
9 obligations of or obligations fully and unconditionally
10 guaranteed by the United States, obligations issued by
11 agencies of the United States, obligations of this state or
12 any political subdivision of the state, interest-bearing time
13 deposits, commercial paper issued by corporations organized
14 and operating in the United States and rated "prime" quality
15 by a national rating service, other investments permitted by
16 Section 6-10-10 NMSA 1978 or as otherwise provided by the
17 trust indenture or bond resolution, if money is pledged for
18 or secures payment of bonds issued by the authority.

19 H. The authority shall establish fiscal controls
20 and accounting procedures that are sufficient to assure
21 proper accounting for local transportation infrastructure
22 fund payments, disbursements and balances."

23 Section 2. EFFECTIVE DATE.--The effective date of the
24 provisions of this act is September 1, 2007. _____