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SENATE BILL 240

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO TAXATION; INCREASING THE MOTOR VEHICLE EXCISE TAX;
ADJUSTING DISTRIBUTIONS OF MOTOR VEHICLE EXCISE TAX PROCEEDS;
CREATING THE HIGHWAY PRIORITY PROJECT FUND; AUTHORIZING THE
ISSUANCE OF STATE HIGHWAY BONDS FOR SPECIFIED HIGHWAY PROJECTS;
MAKING AN APPROPRIATION.

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

Section 1. Section 7-14-4 NMSA 1978 (being Laws 1988,
Chapter 73, Section 14) is amended to read:

"7-14-4. DETERMINATION OF AMOUNT OF MOTOR VEHICLE EXCISE
TAX.--The rate of the motor vehicle excise tax is [~~three~~] four
percent and is applied to the price paid for the vehicle. If
the price paid does not represent the value of the vehicle in
the condition that existed at the time it was acquired, the tax
rate shall be applied to the reasonable value of the vehicle in
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1 such condition at such time. However, allowances granted for
2 vehicle trade-ins may be deducted from the price paid or the
3 reasonable value of the vehicle purchased."

4 Section 2. Section 7-14-10 NMSA 1978 (being Laws 1988,
5 Chapter 73, Section 20, as amended) is amended to read:

6 "7-14-10. DISTRIBUTION OF PROCEEDS.--The receipts from
7 the tax and any associated interest and penalties shall be
8 deposited in the "motor vehicle suspense fund", hereby created
9 in the state treasury. As of the end of each month:

10 A. seventy-five percent of the net receipts
11 attributable to the tax and associated penalties and interest
12 shall be distributed to the general fund; and

13 B. twenty-five percent of the net receipts
14 attributable to the tax and associated penalties and interest
15 shall be distributed to the highway priority project fund."

16 Section 3. A new section 67-3-59.5 NMSA 1978 is enacted
17 to read:

18 "67-3-59.5. [NEW MATERIAL] HIGHWAY PRIORITY PROJECT FUND
19 CREATED--USE.--

20 A. The "highway priority project fund" is created
21 in the state treasury and shall be administered by the
22 department. The fund shall consist of money from taxes
23 distributed to the fund. Earnings on investment of the fund
24 shall be credited to the fund. Balances in the fund at the end
25 of any fiscal year shall not revert and shall remain in the

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1 fund for the purposes authorized in this section.

2 B. Money in the fund shall be used solely for
3 acquisition of rights of way or planning, design, engineering,
4 construction or improvement of the highway priority projects
5 authorized in Subsection D of this section or for payment of
6 principal and interest on bonds issued for those projects and
7 is appropriated to the department for expenditure only for
8 those purposes.

9 C. The taxes required by law to be distributed to
10 the highway priority project fund may be pledged for the
11 payment of highway priority project bonds issued pursuant to
12 Section 67-3-59.6 NMSA 1978 for the highway priority projects
13 authorized in Subsection D of this section.

14 D. The New Mexico finance authority may issue and
15 sell highway priority project bonds in compliance with the
16 provisions of Section 67-3-59.6 NMSA 1978 in an amount not to
17 exceed the total of the amounts authorized for purposes
18 specified in this section when the state transportation
19 commission determines the need for the issuance of the bonds.
20 The New Mexico finance authority shall schedule the issuance
21 and sale of the bonds in the most expeditious and economic
22 manner possible upon a finding by the commission that the
23 project has been developed sufficiently to justify the issuance
24 and that the project can proceed to contract within a
25 reasonable time. The proceeds from the sale of the bonds are

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1 appropriated to the department in the following amounts for the
2 following projects in order of priority determined by the
3 department:

4 (1) ten million dollars (\$10,000,000) for
5 rehabilitation and reconstruction of United States highway 70
6 in Hidalgo county;

7 (2) five million dollars (\$5,000,000) for
8 reconstruction of the San Antonio and interstate 25 interchange
9 in Sierra county;

10 (3) ten million dollars (\$10,000,000) for the
11 Jackrabbit interchange reconstruction project in Dona Ana
12 county;

13 (4) twenty million dollars (\$20,000,000) for
14 road widening and reconstruction of United States highway 180
15 in Grant and Luna counties;

16 (5) ten million dollars (\$10,000,000) for
17 roadway rehabilitation of United States highway 70 from Kenna
18 to Elida and from the Roosevelt-Curry county line north to
19 Clovis in Roosevelt and Curry counties;

20 (6) ten million dollars (\$10,000,000) for
21 reconstruction of eleven miles of United States highway 54
22 between Tularosa and Carrizozo in Otero and Lincoln counties;

23 (7) fifteen million dollars (\$15,000,000) for
24 reconstruction of sixteen miles of United States highway 54
25 between Carrizozo and Corona in Lincoln county;

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1 (8) fifteen million dollars (\$15,000,000) for
2 reconstruction of seventeen miles of United States highway 54
3 between Carrizozo and Corona in Lincoln county;

4 (9) five million dollars (\$5,000,000) for
5 rehabilitation of nineteen miles of New Mexico highway 206
6 between Lovington and Tatum in Lea county;

7 (10) one hundred million dollars
8 (\$100,000,000) to complete the reconstruction of the paseo del
9 Norte interchange on interstate 25 in Albuquerque in Bernalillo
10 county, including improvements along paseo del Norte between
11 San Pedro and Jefferson roads;

12 (11) sixty-eight million dollars (\$68,000,000)
13 for bridge replacement, interchange reconstruction, lane
14 widening and ramp improvements, including reconstruction of the
15 Montgomery interchange, on interstate 25 between Comanche and
16 Gibson boulevards in Albuquerque in Bernalillo county;

17 (12) twenty million dollars (\$20,000,000) for
18 reconstruction and realignment of the "S" curve portion of
19 interstate 25 between Gibson and Martin Luther King, Jr.,
20 boulevards in Albuquerque in Bernalillo county;

21 (13) fifteen million dollars (\$15,000,000) for
22 roadway improvements on state highway 47 in Peralta in Valencia
23 county;

24 (14) fifteen million dollars (\$15,000,000) for
25 planning, designing and constructing an additional lane in each

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1 direction, including drainage improvements, on state highway
2 528 from Southern boulevard to United States highway 550 in Rio
3 Rancho in Sandoval county;

4 (15) fifteen million dollars (\$15,000,000) to
5 replace bridge number 5285 over the Canadian river on United
6 States highway 54 in the village of Logan in Quay county;

7 (16) twenty million dollars (\$20,000,000) for
8 roadway rehabilitation, including reconstruction of portions of
9 the highway, along twenty-four miles of interstate 40 in
10 Guadalupe county;

11 (17) twenty million dollars (\$20,000,000) for
12 roadway rehabilitation, including reconstruction of portions of
13 the highway, on United States highway 64/87 in Colfax and Union
14 counties;

15 (18) fifteen million dollars (\$15,000,000) for
16 roadway rehabilitation, reconstruction and shoulder widening of
17 United States highway 56 from the junction of state highway 39
18 to the Colfax-Union county line in Colfax and Union counties;

19 (19) fifteen million dollars (\$15,000,000) for
20 roadway reconstruction, traffic signals and highway lighting on
21 state highway 30 in Santa Fe county from state highway 502 to
22 Espanola;

23 (20) seven million dollars (\$7,000,000) to
24 plan, design and construct an interchange on state highway 599
25 at county road 62 in Santa Fe county;

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1 (21) twenty-five million dollars (\$25,000,000)
2 for roadway reconstruction on state highway 68 in Rio Arriba
3 county from Okay Owingeh to Velarde;

4 (22) fifteen million dollars (\$15,000,000) for
5 bridge replacements and interchange reconstruction on
6 interstate 25 at Cerrillos road and St. Francis drive in Santa
7 Fe county;

8 (23) ten million dollars (\$10,000,000) for
9 road surface improvements to eight miles of interstate 40 in
10 McKinley county;

11 (24) ten million dollars (\$10,000,000) for
12 roadway rehabilitation and reconstruction along approximately
13 eighteen miles of state highway 6 in Cibola and Valencia
14 counties;

15 (25) ten million dollars (\$10,000,000) for
16 road surface improvements to eight miles of state highway 264
17 in McKinley county; and

18 (26) twenty million dollars (\$20,000,000) for
19 road surface improvements and shoulder repair to eighteen miles
20 of state highway 371 in McKinley county."

21 Section 4. A new Section 67-3-59.6 NMSA 1978 is enacted
22 to read:

23 "67-3-59.6. [NEW MATERIAL] ADDITIONAL STATE HIGHWAY
24 BONDS--ISSUANCE--LIMITS--APPROVAL.--

25 A. In order to provide funds to finance highway

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1 priority projects identified in Section 67-3-59.5 NMSA 1978,
2 the New Mexico finance authority, when directed by the state
3 transportation commission, is authorized, subject to the
4 limitations of this section and Section 67-3-59.5 NMSA 1978 to
5 issue highway priority project bonds from time to time, payable
6 from the highway priority project fund, from federal funds not
7 otherwise obligated that are paid into the highway priority
8 project fund and from taxes and fees required by law to be paid
9 into the highway priority project fund.

10 B. The New Mexico finance authority, when directed
11 by the state transportation commission, may issue bonds to
12 refund other bonds issued by or at the direction of the state
13 transportation commission pursuant to this section or by
14 exchange or current or advance refunding.

15 C. The total aggregate outstanding principal amount
16 of bonds issued from time to time pursuant to this section
17 shall not, without additional authorization of the state
18 legislature, exceed five hundred million dollars
19 (\$500,000,000).

20 D. In consultation with the state transportation
21 commission, the New Mexico finance authority shall determine
22 all terms, covenants and conditions of the bonds; provided that
23 the project design life of a project meets or exceeds the life
24 of the bond issued for that project, and each series of bonds
25 shall be sold, executed and delivered in accordance with the

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1 provisions of the New Mexico Finance Authority Act. The New
2 Mexico finance authority may enter into interest rate exchange
3 agreements, interest rate swap contracts, insurance agreements,
4 remarketing agreements and any other agreements deemed
5 necessary in connection with the issuance of the bonds.

6 E. Proceeds of the bonds and amounts on deposit in
7 the highway priority project fund may be used to pay expenses
8 incurred in the preparation, administration, issuance and sale
9 of the bonds and, together with the earnings on the proceeds of
10 the bonds, may be used to pay rebate, penalty, interest and
11 other obligations relating to the bonds and the proceeds of the
12 bonds under the Internal Revenue Code of 1986, as amended.

13 F. This section is full authority for the issuance
14 and sale of the bonds, and the bonds shall not be invalid for
15 any irregularity or defect in the proceedings for their
16 issuance and sale and shall be incontestable in the hands of
17 bona fide purchasers or holders of the bond for value.

18 G. The bonds shall be legal investments for a
19 person or board charged with the investment of public funds and
20 may be accepted as security for a deposit of public money and,
21 with the interest thereon, are exempt from taxation by the
22 state or a political subdivision or agency of the state.

23 H. Any law authorizing the imposition or
24 distribution of taxes or fees paid into the highway priority
25 project fund or that affects those taxes and fees shall not be

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1 amended or repealed or otherwise directly or indirectly
2 modified so as to impair outstanding bonds secured by a pledge
3 of revenues from those taxes and fees paid into the highway
4 priority project fund, unless the bonds have been discharged in
5 full or provisions have been made for a full discharge. In
6 addition, while any bonds issued by the New Mexico finance
7 authority pursuant to the provisions of this section remain
8 outstanding, the powers or duties of the state transportation
9 commission or the authority shall not be diminished or impaired
10 in any manner that will affect adversely the interests and
11 rights of the holder of such bonds.

12 I. In contracting for highway priority projects to
13 be paid in whole or in part with proceeds of bonds authorized
14 by this section, the department shall require that any sand,
15 gravel, caliche or similar material needed for the project
16 shall, if practicable, be mined from state lands. Each
17 contract shall provide that the contractor notify the
18 commissioner of public lands of the need for the material and
19 that, through lease or purchase, the material shall be mined
20 from state lands if:

21 (1) the material needed is available from
22 state lands in the vicinity of the project;

23 (2) the commissioner determines that the lease
24 or purchase is in the best interest of the state land trust
25 beneficiaries; and

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1 (3) the cost to the contractor for the
2 material, including the costs of transportation, is competitive
3 with other available material from non-state lands.

4 J. The department of transportation shall adopt and
5 enforce rules with the goal that no less than seventy percent
6 of the work force of an exclusively state-funded project
7 authorized in this act shall be residents of New Mexico.

8 K. Bonds issued pursuant to this section shall be
9 paid solely from federal funds not otherwise obligated and
10 taxes and fees deposited into the highway priority project fund
11 and shall not constitute a general obligation of the state.

12 L. For purposes of this section, "highway priority
13 project bonds" includes only those bonds issued pursuant to
14 this section and excludes transportation bonds as defined in
15 Section 67-3-72 NMSA 1978."

16 Section 5. APPLICABILITY.--The distribution pursuant to
17 Section 2 of this act applies to receipts from the motor
18 vehicle excise tax that are attributable to transactions
19 subject to the tax on or after July 1, 2010.

20 Section 6. EFFECTIVE DATE.--The effective date of the
21 provisions of this act is July 1, 2010.