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HOUSE BILL 410

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

RELATING TO TAXATION; PROVIDING FOR A TEMPORARY INCREASE IN THE
MOTOR VEHICLE EXCISE TAX TO FUND THE COMPLETION OF MAJOR
INVESTMENT HIGHWAY PROJECTS; CREATING THE MAJOR INVESTMENT
HIGHWAY PROJECT FUND; AUTHORIZING THE ISSUANCE OF MAJOR
INVESTMENT HIGHWAY PROJECT BONDS; 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.--

A. Until July 1, 2028, the rate of the motor
vehicle excise tax is 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

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1 it was acquired, the tax rate shall be applied to the
2 reasonable value of the vehicle in such condition at such time.
3 However, allowances granted for vehicle trade-ins may be
4 deducted from the price paid or the reasonable value of the
5 vehicle purchased.

6 B. On and after July 1, 2028, the rate of the motor
7 vehicle excise tax is three percent and is applied to the price
8 paid for the vehicle. If the price paid does not represent the
9 value of the vehicle in the condition that existed at the time
10 it was acquired, the tax rate shall be applied to the
11 reasonable value of the vehicle in such condition at such time.
12 However, allowances granted for vehicle trade-ins may be
13 deducted from the price paid or the reasonable value of the
14 vehicle purchased."

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

17 "7-14-10. DISTRIBUTION OF PROCEEDS.--

18 A. Until July 1, 2028, the receipts from the tax
19 and any associated interest and penalties shall be deposited in
20 the motor vehicle suspense fund. As of the end of each month,
21 the net receipts attributable to:

22 (1) seventy-five percent of the receipts
23 attributable to the tax and associated penalties and interest
24 shall be distributed to the general fund; and

25 (2) twenty-five percent of the receipts from

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1 the tax and any associated interest and penalties shall be
2 distributed to the major investment highway project fund
3 created pursuant to Section 67-3-59.5 NMSA 1978.

4 B. On and after July 1, 2028, the receipts from the
5 tax and any associated interest and penalties shall be
6 deposited in the "motor vehicle suspense fund", hereby created
7 in the state treasury. As of the end of each month, the net
8 receipts attributable to the tax and associated penalties and
9 interest shall be distributed to the general fund."

10 SECTION 3. A new Section 67-3-59.5 NMSA 1978 is enacted
11 to read:

12 "67-3-59.5. [NEW MATERIAL] MAJOR INVESTMENT HIGHWAY
13 PROJECT FUND CREATED--USE.--

14 A. The "major investment highway project fund" is
15 created in the state treasury and shall be administered by the
16 department. The fund shall consist of money from taxes
17 distributed to the fund. Earnings on investment of the fund
18 shall be credited to the fund. Balances in the fund at the end
19 of any fiscal year shall remain in the fund after all required
20 debt service payments and other required debt service and
21 reserve fund deposits have been made for bonds issued pursuant
22 to Section 67-3-59.6 NMSA 1978; provided that when the bonds
23 have been retired, balances in the fund shall revert to the
24 state road fund. The amounts that revert to the state road
25 fund shall be used for the acquisition of rights of way,

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1 planning, design, engineering, construction, improvement and
2 maintenance for state highway projects.

3 B. Except as provided in Subsection E of Section
4 67-3-59.6 NMSA 1978, money in the fund shall be used solely for
5 payments and other deposits of debt service or for reserve
6 requirements for the bonds issued for the purpose of the
7 completion of construction and improvement of major improvement
8 highway projects. The bonds authorized by this section may be
9 called "major investment highway project bonds".

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

16 D. The state transportation commission may issue
17 and sell major investment highway project bonds in compliance
18 with the provisions of Section 67-3-59.6 NMSA 1978 when the
19 commission determines the need for the issuance of the bonds,
20 in an amount not to exceed the following amounts for the
21 following major investment highway projects:

22 (1) thirty-five million dollars (\$35,000,000)
23 for new six-lane construction of interstate 25 from mile point
24 0 to mile point 6;

25 (2) fifteen million dollars (\$15,000,000) for

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1 new six-lane construction of United States route 70 from mile
2 point 148.8 to mile point 150.1;

3 (3) fifty million dollars (\$50,000,000) for
4 reconstruction of United States route 54 from mile point 130 to
5 mile point 163;

6 (4) twenty-five million dollars (\$25,000,000)
7 to widen each direction of interstate 25 to six lanes from Rio
8 Bravo boulevard south to the future Mesa del Sol interchange;

9 (5) twenty-five million dollars (\$25,000,000)
10 to construct a new interchange on interstate 25 at Mesa del
11 Sol;

12 (6) twenty-five million dollars (\$25,000,000)
13 to replace the bridge on United States route 54 at mile point
14 325.3;

15 (7) twenty-five million dollars (\$25,000,000)
16 for rehabilitation and reconstruction at the junction of United
17 States routes 64 and 87;

18 (8) twenty-five million dollars (\$25,000,000)
19 to complete the capacity and safety enhancement of United
20 States route 64 from mile point 56 to mile point 60;

21 (9) twenty-five million dollars (\$25,000,000)
22 for reconstruction of New Mexico state road 68 from Espanola to
23 Velarde; and

24 (10) fifty million dollars (\$50,000,000) for
25 new four-lane construction of United States route 491 from mile

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1 point 25.9 to mile point 41.8.

2 E. The state transportation commission shall
3 schedule the issuance and sale of the bonds in the most
4 expeditious and economical manner possible upon a finding by
5 the commission that the project has been developed sufficiently
6 to justify the issuance and that the project can proceed to
7 contract within a reasonable time. The proceeds from the sale
8 of the bonds are appropriated to the department for the
9 purposes described in this section and in Section 67-3-59.6
10 NMSA 1978."

11 SECTION 4. A new Section 67-3-59.6 NMSA 1978 is enacted
12 to read:

13 "67-3-59.6. [NEW MATERIAL] MAJOR INVESTMENT HIGHWAY
14 PROJECT BONDS--ISSUANCE--LIMITS--APPROVAL.--

15 A. In order to provide funds to finance the major
16 investment highway projects identified in Section 67-3-59.5
17 NMSA 1978, the state transportation commission is authorized,
18 subject to the limitations of this section and Section
19 67-3-59.5 NMSA 1978, to issue major investment highway project
20 bonds from time to time, payable from taxes required by law to
21 be paid into the major investment highway project fund.

22 B. The state transportation commission may issue
23 bonds to refund other bonds issued pursuant to this section or
24 by exchange or current or advance refunding.

25 C. The total aggregate outstanding principal amount
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1 of bonds issued from time to time pursuant to this section
2 shall not, without additional authorization of the state
3 legislature, exceed three hundred million dollars
4 (\$300,000,000).

5 D. The state transportation commission shall
6 determine all terms, covenants and conditions of the bonds;
7 provided that the project design life of a major investment
8 highway project meets or exceeds the life of the bonds issued
9 for each project. The state transportation commission may
10 enter into interest rate exchange agreements, interest rate
11 swap contracts, insurance agreements, remarketing agreements
12 and any other agreements deemed necessary in connection with
13 the issuance of the bonds.

14 E. Proceeds of the bonds and amounts on deposit in
15 the major investment highway project fund may be used to pay
16 expenses incurred in the preparation, administration, issuance
17 and sale of the bonds and, together with the earnings on the
18 proceeds of the bonds, may be used to pay rebate, penalty,
19 interest and other obligations relating to the bonds and the
20 proceeds of the bonds under the Internal Revenue Code of 1986,
21 as amended.

22 F. This section is full authority for the issuance
23 and sale of the bonds, and the bonds shall not be invalid for
24 any irregularity or defect in the proceedings for their
25 issuance and sale and shall be incontestable in the hands of

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1 bona fide purchasers or holders of the bonds for value.

2 G. The bonds shall be legal investments for a
3 person or board charged with the investment of public funds and
4 may be accepted as security for a deposit of public money and,
5 with the interest thereon, are exempt from taxation by the
6 state or a political subdivision or agency of the state.

7 H. Any law authorizing the imposition or
8 distribution of taxes or fees paid into the major investment
9 highway project fund or that affects those taxes and fees shall
10 not be amended or repealed or otherwise directly or indirectly
11 modified so as to impair outstanding bonds secured by a pledge
12 of revenues from those taxes and fees paid into the major
13 investment highway project fund, unless the bonds have been
14 discharged in full or provisions have been made for a full
15 discharge. In addition, while any bonds issued by the state
16 transportation commission pursuant to the provisions of this
17 section remain outstanding, the powers or duties of the state
18 transportation commission shall not be diminished or impaired
19 in any manner that will affect adversely the interests and
20 rights of the holder of such bonds.

21 I. Bonds issued pursuant to this section shall not
22 constitute a general obligation of the state and shall be paid
23 solely from taxes and fees deposited into the major investment
24 highway project fund."

25 SECTION 5. EFFECTIVE DATE.--The effective date of the
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1 provisions of this act is July 1, 2013.

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