

1 SENATE BILL 129

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 Mimi Stewart

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8 FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

9  
10 AN ACT

11 RELATING TO PUBLIC SCHOOL TRANSPORTATION; REQUIRING SCHOOL  
12 DISTRICT LIENS ON CONTRACTOR-OWNED SCHOOL BUSES UNDER CONTRACT  
13 TO THE SCHOOL DISTRICT.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 22-8-27 NMSA 1978 (being Laws 1967,  
17 Chapter 16, Section 77, as amended) is amended to read:

18 "22-8-27. TRANSPORTATION EQUIPMENT.--

19 A. The department shall establish a systematic  
20 program for the purchase of necessary school bus transportation  
21 equipment.

22 B. In establishing a system for the replacement of  
23 school-district-owned buses, the department shall provide for  
24 the replacement of school buses on a twelve-year cycle. School  
25 districts requiring additional buses to accommodate growth in

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1 the school district or to meet other special needs may petition  
2 the department for additional buses. Under exceptional  
3 circumstances, school districts may also petition the  
4 department for permission to replace buses prior to the  
5 completion of a twelve-year cycle or to use buses in excess of  
6 twelve years contingent upon satisfactory annual safety  
7 inspections.

8 C. In establishing a system for the use of  
9 contractor-owned buses by school districts or state-chartered  
10 charter schools, the department shall establish a schedule for  
11 the payment of rental fees for the use of contractor-owned  
12 buses. The department shall establish procedures to ensure the  
13 systematic replacement of buses on a twelve-year replacement  
14 cycle. School districts requiring additional buses to  
15 accommodate growth in the school district or to meet other  
16 special needs may petition the department for additional buses.  
17 Under exceptional circumstances, school districts may also  
18 petition the department for permission to replace buses prior  
19 to the completion of a twelve-year cycle or to use buses in  
20 excess of twelve years contingent upon satisfactory annual  
21 safety inspections.

22 D. The school district shall file a lien on every  
23 contractor-owned school bus under the contract ~~[on which the~~  
24 ~~contractor owes money]~~, which lien shall have priority second  
25 only to a lien securing ~~[the]~~ a purchase-money obligation. The

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1 school district shall perfect its lien on each contractor-owned  
2 school bus by filing the lien with the motor vehicle division  
3 of the taxation and revenue department. The lien shall be  
4 recorded on the title of the school bus. A school bus  
5 contractor shall not refinance or use a school bus on which a  
6 school district has a lien as collateral for any other loan  
7 without prior written permission of the department. A school  
8 bus lien shall be collected and enforced as provided in Chapter  
9 55, Article 9 NMSA 1978. The school district shall release its  
10 lien on a school bus:

11 (1) when the department authorizes a  
12 replacement of the school bus; or

13 (2) when the contractor has reimbursed the  
14 school district the amount calculated pursuant to Subsection E  
15 of this section if the school bus service contract is  
16 terminated or not renewed and the contractor owes the school  
17 district as provided in that subsection.

18 E. No school district shall pay rental fees for any  
19 one bus for a period in excess of five years. In the event a  
20 school bus service contract is terminated or not renewed by  
21 either party, the department shall calculate the remaining  
22 number of years that a bus could be used based on a twelve-year  
23 replacement cycle and calculate a value reflecting that use.  
24 The school district shall deduct an amount equal to that value  
25 from any remaining amount due on the contract, or if no balance

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1 remains on the contract, the contractor shall reimburse the  
2 school district an amount equal to the value calculated.

3 F. If the school district fails to take action to  
4 collect money owed to it when a school bus contract is  
5 terminated or not renewed, the department may deduct the amount  
6 from the school district's transportation distribution."

7 SECTION 2. EFFECTIVE DATE.--The effective date of the  
8 provisions of this act is July 1, 2015.