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

B. The department may use up to five hundred thousand dollars (\$500,000) annually from the local governments road fund, to purchase at fair market value, for municipalities, counties and land grants-mercedes that can

1 demonstrate financial hardship as determined by the
2 department, automotive, major road and miscellaneous
3 equipment that would otherwise be sold at auction by the
4 department as unusable for department purposes. The
5 department shall adopt rules setting the procedure to carry
6 out the purposes of this subsection.

7 C. Except for the amounts in Subsections B and E
8 of this section, money in the local governments road fund
9 shall be distributed in the following amounts for the
10 specified purposes:

11 (1) forty-two percent for the cooperative
12 agreements program, to be used solely for the cooperative
13 agreements entered into pursuant to Section 67-3-28 NMSA 1978
14 and in accordance with the match authorized pursuant to
15 Section 67-3-32 NMSA 1978; provided, however, that
16 distribution amounts made pursuant to this paragraph in each
17 year shall be based on the following allocations:

18 (a) thirty-three percent for agreements
19 entered into with counties;

20 (b) forty-nine percent for agreements
21 entered into with municipalities;

22 (c) fourteen percent for agreements
23 entered into with school districts; and

24 (d) four percent for agreements entered
25 into with other entities;

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

15 (3) sixteen percent for school bus routes,
16 to be used solely for cooperative agreements entered into
17 pursuant to Section 67-3-28 NMSA 1978 and in accordance with
18 the match authorized pursuant to Section 67-3-32 NMSA 1978
19 for acquiring rights of way and constructing, maintaining,
20 repairing, improving and paving school bus routes and public
21 school parking lots; and

22 (4) twenty-six percent for the county
23 arterial program, to be used for project development,
24 construction, reconstruction, improvement, maintenance,
25 repair and right-of-way and material acquisition of and for

1 county roads for which individual counties have prioritized
2 road projects. Prior to entering into any agreements for
3 projects with the counties for the following fiscal year, in
4 June of each year the department shall determine and certify
5 the amount to which each county is entitled pursuant to the
6 following schedule:

7 Road Mileage Category Based on

8 Number of Miles Maintained

9 by a County:

Entitlement to County:

10 400 miles or under

\$250 for each mile

11 401 to 800 miles

\$100,000 plus \$200 for each
12 mile over 400 miles

13 801 to 1,200 miles

\$180,000 plus \$150 for each
14 mile over 800 miles

15 1,201 to 1,600 miles

\$240,000 plus \$100 for each
16 mile over 1,200 miles

17 Over 1,600 miles

\$300,000 plus \$50 for each
18 mile over 1,600 miles.

19 If in any year there is an insufficient amount in the
20 fund of the county arterial program to certify the total
21 amount to which all counties are entitled, the department
22 shall decrease the entitlement amount due to each county in
23 the same proportion as the insufficiency is to the total
24 entitlements to all counties. Distribution of an entitlement
25 amount and an agreement entered into with a county for any of

1 the purposes for which the money may be spent requires an
2 amount from the county equal to at least twenty-five percent
3 of the entitlement. The county contribution may be made
4 through funds received pursuant to Subsection E of this
5 section. Any uncommitted or unencumbered balance remaining
6 in the county arterial program fund at the end of a fiscal
7 year shall be transferred to the cooperative agreements
8 program specified in Paragraph (1) of this subsection for
9 additional funding of that program in the next fiscal year.

10 D. The department may transfer funds from the
11 state road fund to the local governments road fund to
12 facilitate cash flow for the funding of these local
13 governments road projects. The administrator of the local
14 governments road fund shall reimburse the state road fund in
15 a timely manner for any such transfers.

16 E. The department may distribute up to one million
17 dollars (\$1,000,000) per calendar year of the money in the
18 local governments road fund to municipalities and counties
19 that can demonstrate financial hardship, for use as all or a
20 portion of the municipality's or county's matching fund
21 requirements pursuant to this section. In order to qualify
22 for matching funds under this subsection, a county or
23 municipality shall provide the department with a financial
24 hardship qualification certificate issued by the department
25 of finance and administration."

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