

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 300

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS FOR CERTAIN
TRANSPORTATION PROJECTS; ESTABLISHING CONDITIONS FOR THE
EXPENDITURE AND APPROPRIATION OF THE BOND PROCEEDS AND FOR THE
REVERSION OF UNEXPENDED BALANCES OF BOND PROCEEDS; AUTHORIZING
THE ISSUANCE OF STATE TRANSPORTATION BONDS; ESTABLISHING
CRITERIA FOR THE BONDS AND REQUIRING REPORTS; MAKING
APPROPRIATIONS.

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

SECTION 1. [NEW MATERIAL] SEVERANCE TAX BONDS--
AUTHORIZATIONS--APPROPRIATION OF PROCEEDS.--

A. The state board of finance may issue and sell
severance tax bonds in compliance with the Severance Tax
Bonding Act for the transportation projects certified pursuant
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1 to Subsection B of this section; provided that the state board
2 of finance shall only issue bonds with a term that does not
3 extend beyond the fiscal year in which they are issued. The
4 state board of finance shall schedule the issuance and sale of
5 the bonds in the most expeditious and economical manner
6 possible upon a finding by the board that the project has been
7 developed sufficiently to justify the issuance and that the
8 project can proceed to contract within a reasonable time. The
9 state board of finance shall further take the appropriate steps
10 necessary to comply with the federal Internal Revenue Code of
11 1986, as amended. Proceeds from the sale of the bonds are
12 appropriated to the department of transportation for the
13 projects provided in Subsection B of this section.

14 B. The department of transportation shall certify
15 to the state board of finance when the money from the proceeds
16 of the severance tax bonds appropriated in this section is
17 needed for the following transportation projects. If the
18 department of transportation has not certified the need for
19 severance tax bond proceeds for a project by the end of fiscal
20 year 2026, the authorization for that project is void:

21 (1) up to forty-five million dollars
22 (\$45,000,000) for acquisition of rights of way, reconstruction
23 and improvement of the interchange at the intersection of state
24 highway 213 and state highway 404;

25 (2) up to forty million dollars (\$40,000,000)

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1 for acquisition of rights of way, reconstruction and
2 improvement of the interstate 25 corridor from milepost 276 to
3 milepost 291;

4 (3) up to sixty-two million eight hundred
5 thousand dollars (\$62,800,000) for acquisition of rights of
6 way, reconstruction and improvement of the bridge on interstate
7 40 east of Gallup from milepost 28.7 to milepost 30.7;

8 (4) up to eight million dollars (\$8,000,000)
9 for acquisition of rights of way and the first phase of
10 construction of an interchange in Los Lunas to access
11 interstate 25 at milepost 202; and

12 (5) up to fifty million dollars (\$50,000,000)
13 for transportation projects identified in Section 11 of the
14 General Appropriation Act of 2024.

15 C. Before the department of transportation may
16 certify for the need of severance tax bond proceeds, the
17 project shall be developed sufficiently so that the department
18 reasonably expects to:

19 (1) incur within six months after the
20 applicable bond proceeds are available for the project a
21 substantial binding obligation to a third party to expend at
22 least five percent of the bond proceeds for the project; and

23 (2) spend at least eighty-five percent of the
24 bond proceeds within three years after the applicable bond
25 proceeds are available for the project.

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1 D. Except as otherwise specifically provided by
2 law:

3 (1) the unexpended balance from the proceeds
4 of severance tax bonds appropriated for a project shall revert
5 to the severance tax bonding fund within six months of
6 completion of the project, but no later than the end of fiscal
7 year 2028; and

8 (2) all remaining balances from the proceeds
9 of severance tax bonds appropriated for a project shall revert
10 to the severance tax bonding fund three months after the latest
11 reversion date specified for that type of project in Paragraph
12 (1) of this subsection.

13 E. Money from severance tax bond proceeds provided
14 pursuant to this section shall not be used to pay indirect
15 project costs.

16 F. Money that is appropriated from the proceeds of
17 severance tax bonds pursuant to this section shall not be
18 subject to a binding written agreement with a third party prior
19 to the department of transportation's approval to enter into
20 that agreement.

21 G. For the purposes of this section, "unexpended
22 balance" means the remainder of an appropriation after
23 reserving for unpaid costs and expenses subject to a binding
24 written agreement with a third party.

25 SECTION 2. [NEW MATERIAL] STATE TRANSPORTATION PROJECT

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1 BONDS--AUTHORIZATION--APPROPRIATION OF PROCEEDS.--

2 A. The state transportation commission may
3 authorize the New Mexico finance authority to issue and sell
4 state transportation bonds for the following transportation
5 projects. The proceeds of the bonds shall be appropriated to
6 the department of transportation for the following
7 transportation projects:

8 (1) forty-five million dollars (\$45,000,000)
9 for acquisition of rights of way, reconstruction and
10 improvement of United States highway 380 from Roswell to the
11 Texas state line;

12 (2) twenty-five million dollars (\$25,000,000)
13 for acquisition of rights of way, reconstruction and
14 improvement of the interchange at the intersection of
15 interstate 25 and United States highway 64 in Raton;

16 (3) seventy million dollars (\$70,000,000) for
17 acquisition of rights of way, reconstruction and improvement of
18 United States 180 from milepost 128.27 to milepost 142.5;

19 (4) seventy-five million dollars (\$75,000,000)
20 for acquisition of rights of way, reconstruction and
21 improvement of state highway 128 from milepost 28.8 to 50.5;
22 and

23 (5) one hundred seven million dollars
24 (\$107,000,000) for acquisition of rights of way, reconstruction
25 and improvement of Rio Bravo boulevard in Albuquerque and

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1 Bernalillo county from milepost 8.98 to 10.32.

2 B. The department of transportation shall provide
3 to the legislature and the governor a report on the progress of
4 the transportation projects. The report shall include:

5 (1) justification of priority ranking of
6 projects for which the department is seeking authorization and
7 appropriation, including the following for each project:

8 (a) traffic counts and accident rates
9 and the expected improvements to traffic flow, health and
10 safety;

11 (b) the ranking of the pavement and
12 substructure conditions;

13 (c) an assessment of economic
14 development impacts; and

15 (d) other information deemed significant
16 by the department;

17 (2) the expected life of the proposed
18 improvement;

19 (3) sufficiency of revenue to pay the
20 principal and interest of all outstanding and proposed bonds
21 based on a five- and twenty-year financial forecast for the
22 state road fund and the effect of the bond program on the
23 department's construction and maintenance program;

24 (4) status report of ongoing major
25 construction;

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1 (5) the relationship between the requested
2 projects and the statewide transportation improvement program;
3 and

4 (6) any other information requested by the
5 legislature or the executive.

6 C. The department of transportation shall provide
7 quarterly progress reports to the department of finance and
8 administration and the legislative finance committee.

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