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HOUSE BILL 595

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

LARRY A. LARRANAGA

AN ACT

RELATING TO STATE HIGHWAY DEBENTURES; AUTHORIZING THE PLEDGING OF TAXES, FEES AND FEDERAL FUNDS IN THE STATE ROAD FUND TO THE PAYMENT OF REVENUE BONDS; INCREASING BONDING AUTHORIZATION LIMITS OF THE STATE HIGHWAY COMMISSION; AMENDING A SECTION OF THE NMSA 1978.

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

Section 1. Section 67-3-59.1 NMSA 1978 (being Laws 1989, Chapter 157, Section 1, as amended) is amended to read:

"67-3-59.1. STATE HIGHWAY DEBENTURES--ISSUANCE--LIMITS--APPROVAL--COUPONS.--

A. In order to provide funds to finance state highway projects, including state highway projects that are required for the waste isolation pilot project and are eligible for federal reimbursement or payment as authorized by federal

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1 legislation, the state highway commission is authorized to issue  
2 bonds from time to time, payable from federal funds, not  
3 otherwise obligated, that are paid into the state road fund and  
4 from the proceeds of the collection of [~~gasoline excise~~] taxes  
5 and [~~motor vehicle registration~~] fees that are required by law  
6 to be paid into the state road fund and not otherwise pledged  
7 solely to the payment of outstanding bonds and debentures.  
8 Bonds issued pursuant to this section shall be paid solely from  
9 taxes, fees and federal funds deposited in the state road fund  
10 and shall not constitute a general obligation of the state.

11 B. The total aggregate outstanding principal amount  
12 of bonds issued from time to time pursuant to this section,  
13 secured by or payable from the [~~gasoline excise~~] taxes and  
14 [~~motor vehicle registration~~] fees in the state road fund, shall  
15 not [~~without additional authorization of the state legislature,~~  
16 ~~exceed one hundred fifty million dollars (\$150,000,000) at any~~  
17 ~~given time, subject to the following provisions:~~

18 (1) ~~the total aggregate outstanding principal~~  
19 ~~amount of bonds issued for state highway projects that are~~  
20 ~~required for the waste isolation pilot project and are eligible~~  
21 ~~for federal reimbursement as authorized by federal legislation~~  
22 ~~shall not exceed one hundred million dollars (\$100,000,000); and~~

23 (2) ~~the total aggregate outstanding principal~~  
24 ~~amount of bonds issued for state highway projects other than~~  
25 ~~state highway projects that are required for the waste isolation~~

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1 ~~pilot project and are eligible for federal reimbursement as~~  
2 ~~authorized by federal legislation shall not exceed fifty million~~  
3 ~~dollars (\$50,000,000)]~~ exceed an amount that can be serviced  
4 with not more than fifty percent of the annual deposits into the  
5 state road fund as determined by the deposits during the  
6 preceding fiscal year.

7 C. The state highway commission may issue bonds to  
8 refund other bonds issued pursuant to this section by exchange  
9 or current or advance refunding.

10 D. Each series of bonds shall have a maturity of no  
11 more than twenty-five years from the date of issuance. The  
12 state highway commission shall determine all other terms,  
13 covenants and conditions of the bonds; provided that the bonds  
14 shall not be issued pursuant to this section unless the state  
15 board of finance approves the issuance of the bonds and the  
16 principal amount of and interest rate or ~~maximum~~ net effective  
17 interest rate on the bonds.

18 E. The bonds shall be executed with the ~~manual~~ or  
19 ~~facsimile~~ signatures of the chairman of the state highway  
20 ~~commission~~, countersigned by the state treasurer and attested to  
21 by the secretary of the state highway commission, with the seal  
22 of the state highway commission imprinted or otherwise affixed  
23 to the bonds.

24 F. Proceeds of the bonds may be used to pay expenses  
25 incurred in the preparation, issuance and sale of the bonds and,

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1 together with the earnings on the proceeds of the bonds, may be  
2 used to pay rebate, penalty, interest and other obligations  
3 relating to the bonds and the proceeds of the bonds under the  
4 federal Internal Revenue Code of 1986, as amended.

5 G. The bonds may be sold at public or private sale.  
6 If sold at public sale, a notice of the time and place of sale  
7 shall be published in a newspaper of general circulation in the  
8 state, and in any other newspaper determined in the resolution  
9 authorizing the issuance of the bonds, once each week for two  
10 consecutive weeks prior to the date of sale. The bonds may be  
11 purchased by the state treasurer or state investment officer.

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

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

22 J. Upon the issuance of bonds pursuant to this  
23 section after July 1, 1997, the state highway commission shall  
24 establish a reserve to be funded in an amount equal to fifty  
25 percent of the maximum aggregate debt service due in any year on

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1 such bonds. The reserve fund requirement shall not apply to  
2 bonds outstanding on July 1, 1997 or any reissue or refunding of  
3 those bonds.

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