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SENATE BILL 632

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

INTRODUCED BY

PHILLIP J. MALOOF

RELATING TO PUBLIC SCHOOLS; AMENDING AND ENACTING SECTIONS OF
THE NMSA 1978 TO AUTHORIZE SCHOOL DISTRICTS TO LEASE ADVERTISING
SPACE ON SCHOOL BUSES TO COMMERCIAL VENDORS.

AN ACT

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

Section 1. Section 22-16-2 NMSA 1978 (being Laws 1967, Chapter 16, Section 220, as amended) is amended to read:

"22-16-2. STATE TRANSPORTATION DIVISION--DUTIES.--Subject to the policies of the state board, the state transportation division of the department of education shall:

 $\begin{tabular}{ll} A. & establish standards for school bus \\ transportation; \end{tabular}$

- B. establish standards for school bus design and operation pursuant to provisions of Section 22-16-11 NMSA 1978;
 - C. establish procedures pertaining to the resolution

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of transportation issues in areas where local school districts are engaged in school district boundary disputes;

- D. enforce those regulations adopted by the state board relating to school bus transportation;
- E. audit records of school bus contractors or school district-owned bus operations in accordance with regulations promulgated by the state transportation director; [and]
- F. establish standards and certify for safety, vehicles that are defined as school buses by the Motor Vehicle Code; and
- G. establish regulations for the purpose of permitting commercial advertisements on school buses."
- Section 2. A new section of the Public School Code is enacted to read:
- "[NEW MATERIAL] BUS ADVERTISEMENTS AUTHORIZED--LIMITATIONS
 AND RESTRICTIONS. --
- A. The state transportation division of the department of education shall authorize local school boards to sell advertising space on the interior and exterior of school buses. The local school board shall develop guidelines for the type of advertisements that will be permitted. There shall be no advertisements that involve:
- (1) obscenity, sexual material, gambling, tobacco, alcohol, political campaigns or causes, religion or promoting the use of drugs; or

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- (2) general content that is harmful or inappropriate for school buses as determined by the department of education.
- B. All school bus advertisements shall be painted on the bus in a manner that does not interfere with national and state requirements for school bus markings, lights and signs. The commercial advertiser that contracts with the school district for the use of the space for advertisements shall be required to pay the cost of painting the advertisements on the bus and shall pay for its removal after the term of the contract has expired.
- C. The right to sell advertising space on school buses shall be within the sole discretion of the local school board, except as required by Section 3 of this act.
- D. An officer or employee of a school district or of the department of education who fails to comply with the obligations or restrictions created by this act shall be subject to discipline, including the possibility of being terminated from employment, and shall be subject to civil liability due to the noncompliance. A school bus owner-operator that fails to comply with the obligations or restrictions created by this act is in breach of contract and the contract is subject to cancellation after notice and hearing before the director of the state transportation division."
 - Section 3. A new section of the Public School Code is

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enacted to read:

"[NEW MATERIAL] SCHOOL BUS TITLE--LEASING SPACE. --

A. All school bus owner-operators that have legal title to school buses used and operated pursuant to an existing bus service contract with a school district may lease space on their buses to the school district for the purpose of selling commercial advertisements. In exchange for leasing the space, the school bus owner-operators shall receive ten percent of the total value of the amount of the contract between the school district and the commercial advertiser.

- B. The amount of space that will be available for commercial advertisements on school buses shall be established by regulations of the department of education consistent with national and state requirements for school bus markings, lights and signs.
- C. Space for advertising on school buses owned by the department of education shall be provided to school districts without cost for the purpose of selling advertising space to commercial advertisers."
- Section 4. A new section of the Public School Code is enacted to read:

"[NEW MATERIAL] SOLICITATION -- LEASE -- RENT PAYMENT. --

A. A school district shall be permitted to solicit offers from commercial advertisers for the use of space on the school buses that service their school district. The school

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district may enter into a lease agreement with a commercial advertiser for the use of any designated advertising space on a school bus that services the school district.

- B. In a lease agreement with a commercial advertiser, the school district shall establish the rental amount, schedule and term. The term of any lease agreement shall not be for a period longer than the time remaining on the school district's bus service contract with a school bus operator who owns the bus that is the subject of the lease agreement.
- C. A school district shall not enter into a lease agreement with a commercial advertiser that seeks to display an advertisement that is prohibited by local school board guidelines."

Section 5. A new section of the Public School Code is enacted to read:

"[NEW MATERIAL] DISTRIBUTION OF PROCEEDS. -- The funds raised from commercial advertisers pursuant to a lease agreement for the use of advertising space on a school bus by a school district shall be distributed into the educational technology fund, except for the required payment made to school bus owner-operators. Forty percent of the proceeds raised shall be distributed to school districts consistent with Section 22-15A-9 NMSA 1978, and the remaining portion shall be distributed according to Section 7 of this act."

Section 6. A new section of the Public School Code is enacted to read:

"[NEW MATERIAL] ACCOUNTABILITY.--Funds raised by a school district from lease agreements relating to the use of advertising space on school buses by commercial advertisers shall be fully accounted for and subject to review and examination by the department of education."

Section 7. A new section of the Technology for Education Act is enacted to read:

"[NEW MATERIAL] SCHOOL BUS ADVERTISING FUND-DISTRIBUTION. --

A. Funds raised by selling or leasing advertising on school buses shall be collected from school districts and placed in a segregated account.

- B. Funds placed in the segregated account shall be distributed to each school district in shares equal to the amount that each school district contributed to the account.
- C. The school district shall use its share of the funds in the account for the purchase of educational computer technology.
- D. The local school boards shall determine the type of educational technology that shall be purchased. The school district shall give a report to the department of education on how the funds were spent."

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FIRST SESSION, 1997

SB 632/a

February 26, 1997

Mr. President:

Your CORPORATIONS & TRANSPORTATION COMMITTEE, to

whom has been referred

SENATE BILL 632, as anended

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 3, lines 2 and 3, strike "department of education" and insert in lieu thereof "state board".

Respectfully submitted,

Roman M Maes, III, Chairman

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FORTY-SECOND LEGISLATURE SECOND SESSION, 1996

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FORTY-THIRD LEGISLATURE

1 FIRST SESSION 2 3 February 28, 1997 5 6 7 SENATE FLOOR AMENDMENT number _____ to SENATE BILL 632, as 8 amended 9 10 Amendment sponsored by Senator Sue F. Wilson 11 12 13 On page 1, line 13, after "VENDORS" insert "; CREATING A 1. 14 FUND". **15** 16 2. Strike Senate Education Committee Amendments 10 and 11. 17 18 On page 5, strike lines 17 through 25 and insert in lieu 19 thereof the following new sections: 20 21 "[NEW MATERIAL] SCHOOL BUS ADVERTISING FUND. -- The "school bus 22 advertising fund" is created in the state treasury and shall be 23 administered by the department of education. The fund shall 24 25

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FORTY-THIRD LEGISLATURE FIRST SESSION

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SFI/SB 632, aa
Page 10
consist of money raised pursuant to this act. Balances in the
fund at the end of any fiscal year shall not revert to the general

fund. Income from investment of the fund shall be credited to the fund."

Section 6. A new section of the Public School Code is enacted to read:

"[NEW MATERIAL] DISTRIBUTION. --

- A. Funds raised from commercial advertisement shall be distributed from the school bus advertising fund after the required payment is made to school bus private owners.
- B. Sixty percent of the proceeds raised shall be distributed to each school district to use in accordance with the school district's technology plan in amounts proportionate to the amount that each school district contributed to the school bus advertising fund.
 - C. Forty percent of the proceeds raised shall be

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FORTY-THIRD LEGISLATURE FIRST SESSION

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SFl/SB 632, aa Page 11

distributed on a per membership basis of middle and junior high schools by the state superintendent to school districts for extracurricular activities. If a school district does not expend money from the school bus advertising fund for extracurricular activities, it shall revert back to the fund.

D. School districts shall report to the department of education on how the funds were used in the technology plans and for extracurricular activities."".

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4. Renumber the succeeding section accordingly.

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5. On page 6, strike lines 8 through 24.

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6. On page 6, between lines 7 and 8, insert the following section:

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"Section 8. TEMPORARY PROVISION.--The state department of public education may request budget increases in fiscal year 1998

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for the school bus advertising fund.".

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State of New Mexico House of Representatives

	House of Representatives
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4	FORTY-THIRD LEGISLATURE
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9	March 15, 1997
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11	Mr. Speaker:
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13	Your EDUCATION COMMITTEE , to whom has been referred
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15	SENATE BILL 632, as anended
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17	has had it under consideration and reports same with
18	recommendation that it DO PASS.
19	Respectfully submitted,
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24	Samuel F. Vigil, Chairman
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FORTY-THIRD LEGISLATURE FIRST SESSION, 1997

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7	The roll	call vote was 6 For 2 Against	
8	Yes:	6	
9	No:	Gonzal es, Vi gi l	
10	Excused:	McSherry, Nicely, Weeks, W.C. Williams, Wright	
11	Absent:	None	
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