

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 979

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

AN ACT

RELATING TO TRANSPORTATION; CREATING THE LOCAL TRANSPORTATION
INFRASTRUCTURE FUND WITHIN THE NEW MEXICO FINANCE AUTHORITY;
PROVIDING FOR MATCHING GRANTS AND OTHER FUNDING SUPPORT TO
QUALIFIED ENTITIES FOR LOCAL TRANSPORTATION PROJECTS;
AUTHORIZING THE ISSUANCE OF REVENUE BONDS PAYABLE FROM THE
LOCAL TRANSPORTATION INFRASTRUCTURE FUND BY THE NEW MEXICO
FINANCE AUTHORITY; MAKING AN APPROPRIATION.

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

Section 1. A new Section 6-21-6.8 NMSA 1978 is enacted to
read:

"6-21-6.8. [NEW MATERIAL] LOCAL TRANSPORTATION
INFRASTRUCTURE FUND--CREATION--PURPOSE--ADMINISTRATION.--

A. The "local transportation infrastructure fund"
is created within the authority. For the purposes of this

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1 section, "fund" means the local transportation infrastructure
2 fund. The fund shall be administered by the authority as a
3 separate account, but may consist of subaccounts if the
4 authority deems them necessary to carry out the purposes of the
5 fund. The authority shall adopt rules in accordance with the
6 New Mexico Finance Authority Act necessary to administer the
7 fund.

8 B. The following shall be deposited directly into
9 the fund:

10 (1) beginning July 1, 2005, one-half of the
11 annual administrative fee received by the authority for issuing
12 state transportation bonds pursuant to Sections 67-3-59.3 and
13 67-3-59.4 NMSA 1978;

14 (2) money from the payment of principal and
15 interest on loans and payments of principal and interest on
16 securities held by the authority for local transportation
17 projects;

18 (3) money appropriated by the legislature to
19 implement the provisions of this section; and

20 (4) other public or private money
21 appropriated, dedicated or allocated to the fund for the
22 purpose of financing local transportation projects.

23 C. For the purposes of this section, "local
24 transportation projects" means local transportation projects of
25 qualified entities submitted to the authority by the secretary

1 of transportation as provided in Subsection F of this section.
2 The authority may provide grants or other funding support to
3 qualified entities' local transportation projects pursuant to
4 this section without the specific authorization by law for each
5 project otherwise required by the New Mexico Finance Authority
6 Act.

7 D. Money in the fund is appropriated to the
8 authority to pay the reasonable and necessary costs of
9 originating and servicing loans, grants or securities funded by
10 the fund and to make loans or grants and to purchase or sell
11 securities to assist qualified entities in financing local
12 transportation projects in accordance with the New Mexico
13 Finance Authority Act.

14 E. The authority may make grants from the fund to
15 qualified entities for local transportation projects when:

16 (1) a grant is not more than twenty-five
17 percent of the total project cost; and

18 (2) a qualified entity demonstrates that it
19 has available or a binding commitment from another person to
20 make available for a project the portion of the total project
21 cost not provided by the grant. The qualified entity may enter
22 into a loan agreement or an agreement to sell the qualified
23 entity's securities with the authority, or the qualified entity
24 may use another source of money available for the project, to
25 provide the costs not covered by the grant.

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1 F. Each May, the secretary of transportation, using
2 the department of transportation's metropolitan planning
3 organization and regional planning organization planning
4 process, shall submit a prioritized list of local
5 transportation projects to the authority that the metropolitan
6 planning organizations and regional planning organizations have
7 determined are appropriate for grants or other funding support
8 pursuant to this section. The authority shall act on local
9 transportation projects in the priority presented by the
10 secretary of transportation; provided that the authority, based
11 on the availability of money in the fund, may determine that a
12 qualified entity shall receive a grant or other funding support
13 for a project out of the order of priority it would otherwise
14 have had or that no grant or other funding support be provided
15 for the project. The rules of the authority for administration
16 of the fund may set a maximum amount of grant or other funding
17 support for a local transportation project.

18 G. Money in the local transportation infrastructure
19 fund not needed for immediate disbursement, including money
20 held in reserve, may be deposited with the state treasurer for
21 short-term investment pursuant to Section 6-10-10.1 NMSA 1978
22 or may be invested in direct and general obligations of or
23 obligations fully and unconditionally guaranteed by the United
24 States, obligations issued by agencies of the United States,
25 obligations of this state or any political subdivision of the

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1 state, interest-bearing time deposits, commercial paper issued
 2 by corporations organized and operating in the United States
 3 and rated "prime" quality by a national rating service, other
 4 investments permitted by Section 6-10-10 NMSA 1978 or as
 5 otherwise provided by the trust indenture or bond resolution,
 6 if money is pledged for or secures payment of bonds issued by
 7 the authority.

8 H. The authority shall establish fiscal controls
 9 and accounting procedures that are sufficient to assure proper
 10 accounting for local transportation infrastructure fund
 11 payments, disbursements and balances."

12 Section 2. A new Section 6-21-6.9 NMSA 1978 is enacted to
 13 read:

14 "6-21-6.9. [NEW MATERIAL] LOCAL TRANSPORTATION PROJECT
 15 REVENUE BONDS--ISSUANCE.--

16 A. The authority may issue and sell local
 17 transportation project revenue bonds in compliance with the New
 18 Mexico Finance Authority Act in an amount outstanding at any
 19 one time of not more than twenty million dollars (\$20,000,000)
 20 payable from the local transportation infrastructure fund. The
 21 bonds may be issued at times and on terms established by the
 22 authority.

23 B. The net proceeds from the sale of local
 24 transportation project revenue bonds are appropriated to the
 25 local transportation infrastructure fund for local

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1 transportation projects described in Section 6-21-6.8 NMSA
2 1978.

3 C. As security for the payment of the principal,
4 interest or premium, if any, on local transportation project
5 revenue bonds issued by the authority, the authority is
6 authorized to pledge, transfer and assign:

7 (1) any obligation that is payable to the
8 authority for deposit into the local transportation
9 infrastructure fund;

10 (2) money in the local transportation
11 infrastructure fund or a subaccount of that fund; and

12 (3) one-half of the annual administrative fee
13 received by the authority for issuing state transportation
14 bonds pursuant to Sections 67-3-59.3 and 67-3-59.4 NMSA 1978.

15 D. All local transportation project revenue bonds
16 issued by the authority shall be obligations of the authority
17 payable solely from the revenues, income and money of the
18 authority deposited into the local transportation
19 infrastructure fund. The bonds shall not create an obligation,
20 debt or liability of the state and no breach of any pledge,
21 obligation or agreement of the authority shall impose a
22 pecuniary liability or charge upon the general credit or taxing
23 power of the state or any political subdivision of the state.

24 E. Any law authorizing or affecting the imposition
25 or distribution of the annual administrative fee received by

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1 the authority for issuing state transportation revenue bonds
 2 pursuant to Sections 67-3-59.3 and 67-3-59.4 NMSA 1978 or that
 3 affects the annual administrative fee shall not be amended,
 4 repealed or otherwise directly or indirectly modified so as to
 5 impair or reduce debt service coverage for any outstanding
 6 local transportation project revenue bonds that may be secured
 7 by a pledge of those annual administrative fee revenues, unless
 8 the local transportation project revenue bonds have been
 9 discharged in full or provisions have been made for a full
 10 discharge.

11 F. The authority may purchase local transportation
 12 project revenue bonds with money in the public project
 13 revolving fund pursuant to the provisions of Section 6-21-6
 14 NMSA 1978."

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