

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. LOCAL TRANSPORTATION INFRASTRUCTURE FUND-- CREATION--PURPOSE--ADMINISTRATION.--

A. The "local transportation infrastructure fund" is created within the authority. For the purposes of this section, "fund" means the local transportation infrastructure fund. The fund shall be administered by the authority as a separate account, but may consist of subaccounts if the authority deems them necessary to carry out the purposes of the fund. The authority shall adopt rules in accordance with the New Mexico Finance Authority Act necessary to administer the fund.

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

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

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

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

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

C. For the purposes of this section, "local transportation projects" means local transportation projects of qualified entities submitted to the authority by the secretary of transportation as provided in Subsection F of this section. The authority may provide grants or other funding support to qualified entities' local transportation projects pursuant to this section without the specific authorization by law for each project otherwise required by the New Mexico Finance Authority Act.

D. Money in the fund is appropriated to the authority to pay the reasonable and necessary costs of originating and servicing loans, grants or securities funded

by the fund and to make loans or grants and to purchase or sell securities to assist qualified entities in financing local transportation projects in accordance with the New Mexico Finance Authority Act.

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

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

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

F. Each May, the secretary of transportation, using the department of transportation's metropolitan planning organization and regional planning organization planning process, shall submit a prioritized list of local transportation projects to the authority that the metropolitan planning organizations and regional planning organizations have determined are appropriate for grants or other funding support pursuant to this section. The authority shall act on local transportation projects in the priority presented by the

secretary of transportation; provided that the authority, based on the availability of money in the fund, may determine that a qualified entity shall receive a grant or other funding support for a project out of the order of priority it would otherwise have had or that no grant or other funding support be provided for the project. The rules of the authority for administration of the fund may set a maximum amount of grant or other funding support for a local transportation project.

G. Money in the local transportation infrastructure fund not needed for immediate disbursement, including money held in reserve, may be deposited with the state treasurer for short-term investment pursuant to Section 6-10-10.1 NMSA 1978 or may be invested in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, obligations of this state or any political subdivision of the state, interest-bearing time deposits, commercial paper issued by corporations organized and operating in the United States and rated "prime" quality by a national rating service, other investments permitted by Section 6-10-10 NMSA 1978 or as otherwise provided by the trust indenture or bond resolution, if money is pledged for or secures payment of bonds issued by the authority.

H. The authority shall establish fiscal controls and accounting procedures that are sufficient to assure proper

accounting for local transportation infrastructure fund payments, disbursements and balances."

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

"6-21-6.9. LOCAL TRANSPORTATION PROJECT REVENUE BONDS--ISSUANCE.--

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

B. The net proceeds from the sale of local transportation project revenue bonds are appropriated to the local transportation infrastructure fund for local transportation projects described in Section 6-21-6.8 NMSA 1978.

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

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

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

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

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

E. Any law authorizing or affecting the imposition or distribution of the annual administrative fee received by the authority for issuing state transportation revenue bonds pursuant to Sections 67-3-59.3 and 67-3-59.4 NMSA 1978 or that affects the annual administrative fee shall not be amended, repealed or otherwise directly or indirectly modified so as to impair or reduce debt service coverage for any outstanding local transportation project revenue bonds that may be secured by a pledge of those annual administrative fee revenues, unless the local transportation project revenue bonds have

been discharged in full or provisions have been made for a full discharge.

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

---