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HOUSE BILL 86

**53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

INTRODUCED BY

Dennis J. Roch

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO PUBLIC SCHOOLS; CHANGING REPLACEMENT CYCLES FOR SCHOOL-DISTRICT-OWNED BUSES AND CERTAIN CONTRACTOR-OWNED BUSES; ADJUSTING PROVISIONS FOR CERTAIN DEDUCTIONS FROM AMOUNTS DUE ON SCHOOL BUS SERVICE CONTRACTS OR FOR CERTAIN REIMBURSEMENTS TO SCHOOL DISTRICTS.

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

**SECTION 1.** Section 22-8-27 NMSA 1978 (being Laws 1967, Chapter 16, Section 77, as amended) is amended to read:

"22-8-27. TRANSPORTATION EQUIPMENT.--

A. The department shall establish a systematic program for the purchase of necessary school bus transportation equipment.

B. In establishing a system for the replacement of school-district-owned buses, the department shall provide for

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1 the replacement of each school [~~buses~~] bus on a [~~twelve-year~~]  
2 fifteen-year cycle [~~School districts requiring additional buses~~  
3 ~~to accommodate growth in the school district or to meet other~~  
4 ~~special needs may petition the department for additional buses.~~  
5 ~~Under exceptional circumstances, school districts may also~~  
6 ~~petition the department for permission to replace buses prior~~  
7 ~~to the completion of a twelve-year cycle or to use buses in~~  
8 ~~excess of twelve years, contingent upon satisfactory annual~~  
9 ~~safety inspections.~~] or before school begins after the odometer  
10 reading of the school bus exceeds three hundred thousand miles,  
11 whichever occurs first.

12 C. In establishing a system for the use of  
13 contractor-owned buses by school districts or state-chartered  
14 charter schools, the department shall establish a schedule for  
15 the payment of rental fees for the use of contractor-owned  
16 buses. The department shall establish procedures to ensure the  
17 systematic replacement of [~~buses on a twelve-year replacement~~  
18 ~~cycle. School districts~~] each contractor-owned bus as follows:

19 (1) for each bus purchased before July 1,  
20 2011, replacement on a:

21 (a) twelve-year cycle; or

22 (b) fifteen-year cycle or before school  
23 begins after the odometer reading of the bus exceeds three  
24 hundred thousand miles, whichever occurs first; provided that  
25 the contractor agrees on that replacement cycle in lieu of a

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1 twelve-year cycle; and

2 (2) for each bus purchased on or after July 1,  
3 2011, replacement on a fifteen-year cycle or before school  
4 begins after the odometer reading of the bus exceeds three  
5 hundred thousand miles, whichever occurs first.

6 D. A school district requiring additional buses to  
7 accommodate growth in the school district or to meet other  
8 special needs may petition the department for additional buses.  
9 Under exceptional circumstances, a school [~~districts~~] district  
10 may also petition the department for permission to replace  
11 [~~buses prior to the completion of a twelve-year cycle or to use~~  
12 ~~buses in excess of twelve years~~] a bus on a schedule different  
13 from a replacement schedule provided pursuant to Subsection B  
14 of this section for a school-district-owned bus or Subsection C  
15 of this section for a contractor-owned bus, contingent upon  
16 satisfactory annual safety inspections.

17 [~~D.~~] E. The school district shall file a lien on  
18 every contractor-owned school bus under the contract, which  
19 lien shall have priority second only to a lien securing a  
20 purchase-money obligation. The school district shall perfect  
21 its lien on each contractor-owned school bus by filing the lien  
22 with the motor vehicle division of the taxation and revenue  
23 department. The lien shall be recorded on the title of the  
24 school bus. A school bus contractor shall not refinance or use  
25 a school bus on which a school district has a lien as

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1 collateral for any other loan without prior written permission  
2 of the department. A school bus lien shall be collected and  
3 enforced as provided in Chapter 55, Article 9 NMSA 1978. The  
4 school district shall release its lien on a school bus:

5 (1) when the department authorizes a  
6 replacement of the school bus; or

7 (2) when the contractor has reimbursed the  
8 school district the amount calculated pursuant to Subsection  
9 ~~[E]~~ F of this section if the school bus service contract is  
10 terminated or not renewed and the contractor owes the school  
11 district as provided in that subsection.

12 ~~[E-]~~ F. No school district shall pay rental fees  
13 for any one bus for a period in excess of five years. In the  
14 event a school bus service contract is terminated or not  
15 renewed by either party, the department shall calculate the  
16 remaining number of years that a contractor-owned bus could be  
17 used based on ~~[a twelve-year]~~ the replacement cycle required  
18 pursuant to Subsection C of this section and calculate a value  
19 reflecting that use; provided that for a contractor-owned bus  
20 purchased from July 1, 2011 through June 30, 2018, the  
21 department shall instead calculate the remaining number of  
22 years that a bus could be used based on a twelve-year cycle.

23 The school district shall deduct an amount equal to ~~[that]~~ the  
24 calculated value from any remaining amount due on the contract,  
25 or if no balance remains on the contract, the contractor shall

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1 reimburse the school district an amount equal to the ~~[value]~~  
2 calculated value.

3 ~~[F.]~~ G. If the school district fails to take action  
4 to collect money owed to it when a school bus contract is  
5 terminated or not renewed, the department may deduct the amount  
6 from the school district's transportation distribution."

7 **SECTION 2. EFFECTIVE DATE.**--The effective date of the  
8 provisions of this act is July 1, 2018.

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