

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 86

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

AN ACT

RELATING TO PUBLIC SCHOOLS; REQUIRING THE PUBLIC EDUCATION
DEPARTMENT TO GRANT SCHOOL DISTRICT AND STATE-CHARTERED CHARTER
SCHOOL REQUESTS TO USE A BUS IN EXCESS OF TWELVE YEARS
CONTINGENT UPON ANNUAL SAFETY INSPECTIONS.

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
the replacement of school buses on a twelve-year cycle;

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underscoring material = new
[bracketed material] = delete

1 provided that the department shall grant a school district's
2 request to use a bus in excess of twelve years contingent upon
3 satisfactory annual safety inspections. School districts
4 requiring additional buses to accommodate growth in the school
5 district or to meet other special needs may petition the
6 department for additional buses. Under exceptional
7 circumstances, school districts may also petition the
8 department for permission to replace buses prior to the
9 completion of a twelve-year cycle [~~or to use buses in excess of~~
10 ~~twelve years contingent upon satisfactory annual safety~~
11 ~~inspections~~].

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; provided that the department shall grant a school
19 district's or state-chartered charter school's request to use a
20 contractor-owned bus in excess of twelve years contingent upon
21 satisfactory annual safety inspections. School districts
22 requiring additional buses to accommodate growth in the school
23 district or to meet other special needs may petition the
24 department for additional buses. Under exceptional
25 circumstances, school districts may also petition the

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1 department for permission to replace buses prior to the
2 completion of a twelve-year cycle [~~or to use buses in excess of~~
3 ~~twelve years contingent upon satisfactory annual safety~~
4 ~~inspections~~].

5 D. The school district shall file a lien on every
6 contractor-owned school bus under the contract, which lien
7 shall have priority second only to a lien securing a purchase-
8 money obligation. The school district shall perfect its lien
9 on each contractor-owned school bus by filing the lien with the
10 motor vehicle division of the taxation and revenue department.
11 The lien shall be recorded on the title of the school bus. A
12 school bus contractor shall not refinance or use a school bus
13 on which a school district has a lien as collateral for any
14 other loan without prior written permission of the department.
15 A school bus lien shall be collected and enforced as provided
16 in Chapter 55, Article 9 NMSA 1978. The school district shall
17 release its lien on a school bus:

18 (1) when the department authorizes a
19 replacement of the school bus; or

20 (2) when the contractor has reimbursed the
21 school district the amount calculated pursuant to Subsection E
22 of this section if the school bus service contract is
23 terminated or not renewed and the contractor owes the school
24 district as provided in that subsection.

25 E. No school district shall pay rental fees for any

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1 one bus for a period in excess of five years. In the event a
2 school bus service contract is terminated or not renewed by
3 either party, the department shall calculate the remaining
4 number of years that a bus could be used based on a twelve-year
5 replacement cycle and calculate a value reflecting that use.
6 The school district shall deduct an amount equal to that value
7 from any remaining amount due on the contract, or if no balance
8 remains on the contract, the contractor shall reimburse the
9 school district an amount equal to the value calculated.

10 F. If the school district fails to take action to
11 collect money owed to it when a school bus contract is
12 terminated or not renewed, the department may deduct the amount
13 from the school district's transportation distribution."