

LFC Requester:

Cally Carswell

AGENCY BILL ANALYSIS  
2024 REGULAR SESSION

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:

Original  Amendment   
Correction  Substitute

Date Prepared: 2/8/2024

Bill No: SB 300 Substitute

Sponsor: George K. Muñoz

Short Title: PUBLIC PEACE,  
HEALTH, SAFETY &  
WELFARE  
TRANSPORTATION  
PROJECT BONDS

Agency Name and Code Number: 305 – New Mexico  
Department of Justice

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

**BILL SUMMARY**

Synopsis:

**SB300 Substitute (“Sub”)** is entitled “Relating To The Public Peace, Health, Safety And Welfare-Transportation Project Bonds” and authorizes the funding of listed transportation projects based upon the issuance of severance tax bonds and state transportation bonds with proceeds from the sale of the bonds to be appropriated to the Department of Transportation (DOT) for specified projects.

**SECTION 1** containing new material authorizes the state board of finance to issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act (Sections 7-27-1 through 7-27-27 NMSA 1978) for the transportation projects certified in Subsection B. The state board of finance shall only issue bonds with a term that does not extend beyond the fiscal year in which they are issued and is required to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the severance tax bonds are to be appropriated to DOT for the following projects:

(1) up to forty-five million dollars (\$45,000,000) for acquisition of rights of way, reconstruction, and improvement of the interchange at the intersection of state highway 213 and state highway 404;

(2) up to forty million dollars (\$40,000,000) or acquisition of rights of way, reconstruction, and improvement of the interstate 25 corridor from milepost 276 to milepost 291;

(3) up to sixty-two million eight hundred thousand dollars (\$62,800,000) for acquisition of rights of way, reconstruction, and improvement of the bridge on interstate 40 east of Gallup from milepost 28.7 to milepost 30.7;

(4) up to eight million dollars (\$8,000,000) for acquisition of rights of way and the first phase of construction of an interchange in Los Lunas to access interstate 25 at milepost 202; and

(5) up to fifty million dollars (\$50,000,000) for transportation projects identified in Section 11 of the General Appropriation Act of 2024.

See HB2 (General Appropriation Act of 2024), page 240, Section 11, SPECIAL TRANSPORTATION APPROPRIATION, referenced in SB300 Section 1, B (5), which does not identify any specific projects. Reference to HB2 Section 11 (1) states one hundred fifty million dollars (\$150,000,000) is appropriated to DOT for major infrastructure road projects, including heavy maintenance from the general fund to be expended in FY 2024 and subsequent fiscal years. Unexpended balances of this appropriation remaining at the end of fiscal year 2027 revert to the general fund.

HB2 Section 11 (2) extends the time through fiscal year 2025 for expending the two hundred fifty million dollars (\$250,000,000) appropriated from the general fund in Subsection (1) of Section 9 of Chapter 271 of Laws 2019 for acquisition of rights of way, planning, design, and construction and to match federal and other state funds. However no specific projects are listed or referenced in HB2 Section 11, so it is unclear if there is any overlap in SB300 Sub Section 1 proposed projects using severance tax bond funds and/or the SB300 Sub Section 2 proposed projects using state transportation bond funds, listed below in this Synopsis.

This section includes guidelines DOT must meet on use of funds, time frames for expenditures, and the reversion of unexpended funds to the severance tax bonding fund.

If DOT has not certified the need for severance tax bond proceeds for a project by the end of fiscal year 2026, the authorization for that project is void.

**SECTION 2** containing new material directing the state transportation commission to authorize the New Mexico finance authority to issue and sell state transportation bonds for the following transportation projects:

(1) forty-five million dollars (\$45,000,000) for acquisition of rights of way, reconstruction, and improvement of United States highway 380 from Roswell to the Texas state line;

(2) twenty-five million dollars (\$25,000,000) for acquisition of rights of way, reconstruction, and improvement of the interchange at the intersection of interstate 25 and United States highway 64 in Raton;

(3) seventy million dollars (\$70,000,000) for acquisition of rights of way, reconstruction, and improvement of United States 180 from milepost 128.27 to milepost 142.5;

(4) seventy-five million dollars (\$75,000,000) for acquisition of rights of way, reconstruction, and improvement of state highway 128 from milepost 28.8 to 50.5; and

(5) one hundred seven million dollars (\$107,000,000) for acquisition of rights of way, reconstruction, and improvement of Rio Bravo boulevard in Albuquerque and Bernalillo county from milepost 8.98 to 10.32.

DOT is required to provide various types of reports to the legislature, the governor, the department of finance and administration and the legislative finance committee on the progress of the projects.

## **FISCAL IMPLICATIONS**

None.

## **SIGNIFICANT ISSUES**

None.

## **PERFORMANCE IMPLICATIONS**

None.

## **ADMINISTRATIVE IMPLICATIONS**

None to this office.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

NMSA 1978 Sections 67-3-59.1 entitled State highway debentures; issuance; limits; approval; coupons; 67-3-59.2 entitled Highway infrastructure fund created; purpose; 67-3-59.3 entitled State transportation project bonds; issuance; procedures; approval; and 67-3-59.4 entitled State transportation project bonds; authorization and appropriation; priorities; criteria; reports; all pertain to similar projects as outlined in SB300 Sub Section 2.

SB300 Substitute incorporates HB2 Appropriations, Section 11, Special Transportation Appropriation.

HB42, Transportation Trust Fund may impact or conflict with SB300 Sub use of bond funds.

## **TECHNICAL ISSUES**

None.

## **OTHER SUBSTANTIVE ISSUES**

Issuance of severance tax bonds must comply with the Severance Tax Bonding Act, Sections 7-27-1 through 7-27-27 NMSA 1978.

Issuance of state transportation bonds must comply with statutes applicable to state transportation commission actions in NMSA 1978 Chapter 67, Highways.

## **ALTERNATIVES**

None.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

## **AMENDMENTS**

None.