SENATE BILL 916

43RD LEGISLATURE **- STATE OF NEW MEXICO -** **FIRST SESSION, 1997**

INTRODUCED BY

TIMOTHY Z. JENNINGS

AN ACT

RELATING TO STATE HIGHWAY DEBENTURES; AUTHORIZING THE STATE HIGHWAY COMMISSION TO ISSUE AN ADDITIONAL TWO HUNDRED MILLION DOLLARS ($200,000,000) IN BONDS FOR IMPROVEMENT OF UNITED STATES HIGHWAY 285 AS REQUIRED FOR THE WASTE ISOLATION PILOT PROJECT.

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

Section 1. Section 67-3-59.1 NMSA 1978 (being Laws 1989, Chapter 157, Section 1, as amended) is amended to read:

"67-3-59.1. STATE HIGHWAY DEBENTURES--ISSUANCE--LIMITS--APPROVAL--COUPONS.--

A. In order to provide funds to finance state highway projects, including state highway projects that are required for the waste isolation pilot project and are eligible for federal reimbursement or payment as authorized by federal legislation, the state highway commission is authorized to issue

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1   bonds from time to time, payable from <u>federal funds, not</u>

2   <u>otherwise obligated, that are paid into the state road fund and</u>

3   <u>from</u> the proceeds of the collection of [gasoline excise] taxes

4   and [motor vehicle registration] fees that are required by law

5   to be paid into the state road fund and not otherwise pledged

6   solely to the payment of outstanding bonds and debentures.

7   B.   The total aggregate outstanding principal amount

8   of bonds issued from time to time pursuant to this section,

9   secured by or payable from [the gasoline excise taxes and motor

10   vehicle registration fees] <u>federal funds not otherwise obligated</u>

11   <u>that are paid into the state road fund and the proceeds from the</u>

12   <u>collection of taxes and fees required by law to be paid into the</u>

13   <u>state road fund</u>, shall not, without additional authorization of

14   the state legislature, exceed [one hundred fifty million dollars

15   ($150,000,000)] <u>three hundred fifty million dollars</u>

16   <u>($350,000,000)</u> at any given time, subject to the following

17   provisions:

18   (1)   the total aggregate outstanding principal

19   amount of bonds issued for state highway projects that are

20   required for the waste isolation pilot project and are eligible

21   for federal reimbursement <u>or payment</u> as authorized by federal

22   legislation shall not exceed [one hundred million dollars

23   ($100,000,000)] <u>three hundred million dollars ($300,000,000);</u>

24   <u>provided that bonds issued after July 1, 1997 shall be for</u>

25   <u>improvement of United States highway 285</u>; and

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(2)   the total aggregate outstanding principal

amount of bonds issued for state highway projects other than

state highway projects that are required for the waste isolation

pilot project and are eligible for federal reimbursement or

payment as authorized by federal legislation shall not exceed

fifty million dollars ($50,000,000).

C.   The state highway commission may issue bonds to

refund other bonds issued pursuant to this section by exchange

or current or advance refunding.

D.   Each series of bonds shall have a maturity of no

more than twenty-five years from the date of issuance.   The

state highway commission shall determine all other terms,

covenants and conditions of the bonds; provided that the bonds

shall not be issued pursuant to this section unless the state

board of finance approves the issuance of the bonds and the

principal amount of and interest rate or maximum net effective

interest rate on the bonds.

E.   The bonds shall be executed with the manual or

facsimile signatures of the chairman of the state highway

commission, countersigned by the state treasurer and attested to

by the secretary of the state highway commission, with the seal

of the state highway commission imprinted or otherwise affixed

to the bonds.

F.   Proceeds of the bonds may be used to pay expenses

incurred in the preparation, issuance and sale of the bonds and,

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1 together with the earnings on the proceeds of the bonds, may be

2 used to pay rebate, penalty, interest and other obligations

3 relating to the bonds and the proceeds of the bonds under the

4 Internal Revenue Code of 1986, as amended.

5 G. The bonds may be sold at public or private sale.

6 If sold at public sale, a notice of the time and place of sale

7 shall be published in a newspaper of general circulation in the

8 state, and in any other newspaper determined in the resolution

9 authorizing the issuance of the bonds, once each week for two

10 consecutive weeks prior to the date of sale. The bonds may be

11 purchased by the state treasurer or state investment officer.

12 H. This section is full authority for the issuance

13 and sale of the bonds, and the bonds shall not be invalid for

14 any irregularity or defect in the proceedings for their issuance

15 and sale and shall be incontestable in the hands of bona fide

16 purchasers or holders of the bond for value.

17 I. The bonds shall be legal investments for any

18 person or board charged with the investment of public funds and

19 may be accepted as security for any deposit of public money and,

20 with the interest thereon, are exempt from taxation by the state

21 and any political subdivision or agency of the state."

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State of New Mexico

House of Representatives

FORTY-THIRD LEGISLATURE

FIRST SESSION, 1997

March 13, 1997

Mr. Speaker:

Your **TRANSPORTATION COMMITTEE,** to whom has been referred

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has had it under consideration and reports same with recommendation that it **DO PASS**, and thence referred to the **TAXATION AND REVENUE COMMITTEE.**

Underscored material = new
[bracketed material] = delete

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Respectfully submitted,

_____

Daniel P. Silva, Chairman

Adopted _____   Not Adopted _____

(Chief Clerk)   (Chief Clerk)

Date _____

The roll call vote was 11 For 0 Against

Yes: 11

Excused: Russell

Absent: None

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