

1 HOUSE BILL 145

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

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5 and Art De La Cruz and Cathrynn N. Brown and Nathan P. Small
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10 AN ACT

11 RELATING TO THE FINANCING OF HIGHWAY PROJECTS; PROVIDING
12 ADDITIONAL BONDING AUTHORITY OF THE STATE TRANSPORTATION
13 COMMISSION FOR STATE HIGHWAY PROJECTS.
14

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

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

18 "67-3-59.1. STATE HIGHWAY DEBENTURES--ISSUANCE--LIMITS--
19 APPROVAL--COUPONS.--

20 A. In order to provide funds to finance state
21 highway projects, including state highway projects that are
22 required for the waste isolation pilot project and are eligible
23 for federal reimbursement or payment as authorized by federal
24 legislation, the state transportation commission is authorized,
25 subject to the limitations of this section, to issue bonds from

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1 time to time, payable from federal funds not otherwise
2 obligated that are paid into the state road fund and the
3 proceeds of the collection of taxes and fees that are required
4 by law to be paid into the state road fund and not otherwise
5 pledged solely to the payment of outstanding bonds and
6 debentures.

7 B. Except as provided in Subsections C, [~~and~~] D and
8 E of this section, the total aggregate outstanding principal
9 amount of bonds issued from time to time pursuant to this
10 section, secured by or payable from federal funds not otherwise
11 obligated that are paid into the state road fund and the
12 proceeds from the collection of taxes and fees required by law
13 to be paid into the state road fund, shall not, without
14 additional authorization of the state legislature, exceed one
15 hundred fifty million dollars (\$150,000,000) at any given time,
16 subject to the following provisions:

17 (1) the total aggregate outstanding principal
18 amount of bonds issued for state highway projects that are
19 required for the waste isolation pilot project and are eligible
20 for federal reimbursement or payment as authorized by federal
21 legislation shall not exceed one hundred million dollars
22 (\$100,000,000); and

23 (2) the total aggregate outstanding principal
24 amount of bonds issued for state highway projects other than
25 state highway projects that are required for the waste

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1 isolation pilot project and are eligible for federal
2 reimbursement or payment as authorized by federal legislation
3 shall not exceed fifty million dollars (\$50,000,000).

4 C. Upon specific authorization and appropriation by
5 the legislature, and subject to the limitations of Subsection D
6 of this section, an additional amount of bonds may be issued
7 pursuant to this section for state highway projects, to be
8 secured by or payable from taxes or fees required by law to be
9 paid into the state road fund and federal funds not otherwise
10 obligated that are paid into the state road fund, and, as
11 applicable, taxes or fees required by law to be paid into the
12 highway infrastructure fund, as follows:

13 (1) an aggregate outstanding principal amount
14 of bonds, not to exceed six hundred twenty-four million dollars
15 (\$624,000,000), for major highway infrastructure projects for
16 which the department has, prior to January 1, 1998, submitted
17 or initiated the process of submitting a plan to the federal
18 highway administration for innovative financing pursuant to 23
19 USCA Sections 122 and 307;

20 (2) an aggregate outstanding principal amount
21 of bonds, not to exceed one hundred million dollars
22 (\$100,000,000), for state highway projects that are required
23 for the waste isolation pilot project and are eligible for
24 federal reimbursement; and

25 (3) an aggregate outstanding principal amount

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1 of bonds, not to exceed four hundred million dollars
2 (\$400,000,000), for other state highway projects.

3 D. The total amount of bonds that may be issued by
4 the state transportation commission for state highway projects
5 pursuant to Subsection C of this section shall not exceed a
6 total aggregate outstanding principal amount of:

7 (1) three hundred million dollars
8 (\$300,000,000) prior to July 1, 1999;

9 (2) six hundred million dollars (\$600,000,000)
10 from July 1, 1999 through June 30, 2000;

11 (3) nine hundred million dollars
12 (\$900,000,000) from July 1, 2000 through June 30, 2001; and

13 (4) one billion one hundred twenty-four
14 million dollars (\$1,124,000,000) after June 30, 2001.

15 E. An additional one billion five hundred million
16 dollars (\$1,500,000,000) of bonds may be issued pursuant to
17 this section for state highway projects to be secured by or
18 payable from federal funds or from taxes or fees not otherwise
19 obligated and required by law to be paid into the state road
20 fund; provided that the issuance of the bonds shall not cause
21 the aggregate outstanding principal amount of bonds issued by
22 the commission to exceed one billion one hundred twenty-four
23 million dollars (\$1,124,000,000).

24 [~~E.~~] F. The state transportation commission may
25 issue bonds to refund other bonds issued pursuant to this

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1 section by exchange or current or advance refunding.

2 [F.] G. Each series of bonds shall have a maturity
3 of no more than twenty-five years from the date of issuance.
4 The state transportation commission shall determine all other
5 terms, covenants and conditions of the bonds; provided that the
6 bonds shall not be issued pursuant to this section unless the
7 state board of finance approves the issuance of the bonds and
8 the principal amount of and interest rate or maximum net
9 effective interest rate on the bonds.

10 [G.] H. The bonds shall be executed with the manual
11 or facsimile signature of the [~~chairman~~] chair of the state
12 transportation commission, countersigned by the state treasurer
13 and attested to by the secretary of the state transportation
14 commission, with the seal of the state transportation
15 commission imprinted or otherwise affixed to the bonds.

16 [H.] I. Proceeds of the bonds may be used to pay
17 expenses incurred in the preparation, issuance and sale of the
18 bonds and, together with the earnings on the proceeds of the
19 bonds, may be used to pay rebate, penalty, interest and other
20 obligations relating to the bonds and the proceeds of the bonds
21 under the Internal Revenue Code of 1986, as amended.

22 [I.] J. The bonds may be sold at a public or
23 negotiated sale at, above or below par or through the New
24 Mexico finance authority. A negotiated sale shall be made with
25 one or more investment bankers whose services are obtained

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1 through a competitive proposal process. For any sale, the
2 state transportation commission or the New Mexico finance
3 authority shall also procure the services of any financial
4 advisor or bond counsel through a competitive proposal process.
5 If sold at public sale, a notice of the time and place of sale
6 shall be published in a newspaper of general circulation in the
7 state, and in any other newspaper determined in the resolution
8 authorizing the issuance of the bonds, once each week for two
9 consecutive weeks prior to the date of sale. The bonds may be
10 purchased by the state treasurer or state investment officer.

11 ~~[J.]~~ K. This section is full authority for the
12 issuance and sale of the bonds, and the bonds shall not be
13 invalid for any irregularity or defect in the proceedings for
14 their issuance and sale and shall be incontestable in the hands
15 of bona fide purchasers or holders of the bond for value.

16 ~~[K.]~~ L. The bonds shall be legal investments for a
17 person or board charged with the investment of public funds and
18 may be accepted as security for a deposit of public money and,
19 with the interest thereon, are exempt from taxation by the
20 state and a political subdivision or agency of the state.

21 ~~[L.]~~ M. Any law authorizing the imposition or
22 distribution of taxes or fees paid into the state road fund or
23 the highway infrastructure fund or that affects those taxes and
24 fees shall not be amended or repealed or otherwise directly or
25 indirectly modified so as to impair outstanding bonds secured

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1 by a pledge of revenues from those taxes and fees paid into the
2 state road fund or the highway infrastructure fund, unless the
3 bonds have been discharged in full or provisions have been made
4 for a full discharge. In addition, while any bonds issued by
5 the state transportation commission pursuant to the provisions
6 of this section remain outstanding, the powers or duties of the
7 commission shall not be diminished or impaired in any manner
8 that will affect adversely the interests and rights of the
9 holder of such bonds.

10 [M.] N. In contracting for state highway projects
11 to be paid in whole or in part with proceeds of bonds
12 authorized by this section, the department shall require that
13 any sand, gravel, caliche or similar material needed for the
14 project shall, if practicable, be mined from state lands. Each
15 contract shall provide that the contractor notify the
16 commissioner of public lands of the need for the material and
17 that, through lease or purchase, the material shall be mined
18 from state lands if:

19 (1) the material needed is available from
20 state lands in the vicinity of the project;

21 (2) the commissioner determines that the lease
22 or purchase is in the best interest of the state land trust
23 beneficiaries; and

24 (3) the cost to the contractor for the
25 material, including the costs of transportation, is competitive

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with other available material from non-state lands.

~~[N.]~~ O. Bonds issued pursuant to this section shall be paid solely from federal funds not otherwise obligated and taxes and fees deposited into the state road fund and, as applicable, the highway infrastructure fund, and shall not constitute a general obligation of the state."