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**HOUSE BILL 408**

**45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002**

**INTRODUCED BY**

**Richard D. Vigil**

**AN ACT**

**RELATING TO LOCAL GOVERNMENTS; PERMITTING COUNTIES AND MUNICIPALITIES TO USE CERTAIN STATE DISTRIBUTIONS FOR THE PURPOSE OF CONSTRUCTING AND REPAIRING PUBLIC PARKING LOTS.**

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

**Section 1. Section 3-31-1 NMSA 1978 (being Laws 1973, Chapter 395, Section 3, as amended) is amended to read:**

**"3-31-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF REVENUES--LIMITATION ON TIME OF ISSUANCE.--In addition to any other law and constitutional home rule powers authorizing a municipality to issue revenue bonds, a municipality may issue revenue bonds pursuant to Chapter 3, Article 31 NMSA 1978 for the purposes specified in this section. The term "pledged revenues", as used in Chapter 3, Article 31 NMSA 1978, means the revenues, net income or net revenues authorized to be**

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1 pledged to the payment of particular revenue bonds as  
2 specifically provided in Subsections A through I of this  
3 section.

4 A. Utility revenue bonds may be issued for  
5 acquiring, extending, enlarging, bettering, repairing or  
6 otherwise improving a municipal utility or for any combination  
7 of the foregoing purposes. The municipality may pledge  
8 irrevocably any or all of the net revenues from the operation  
9 of the municipal utility or of any one or more of other such  
10 municipal utilities for payment of the interest on and  
11 principal of the revenue bonds. These bonds are sometimes  
12 referred to in Chapter 3, Article 31 NMSA 1978 as "utility  
13 revenue bonds" or "utility bonds".

14 B. Joint utility revenue bonds may be issued for  
15 acquiring, extending, enlarging, bettering, repairing or  
16 otherwise improving joint water facilities, sewer facilities,  
17 gas facilities or electric facilities or for any combination  
18 of the foregoing purposes. The municipality may pledge  
19 irrevocably any or all of the net revenues from the operation  
20 of these municipal utilities for the payment of the interest  
21 on and principal of the bonds. These bonds are sometimes  
22 referred to in Chapter 3, Article 31 NMSA 1978 as "joint  
23 utility revenue bonds" or "joint utility bonds".

24 C. For the purposes of this subsection, "gross  
25 receipts tax revenue bonds" means gross receipts tax revenue

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1 bonds or sales tax revenue bonds. Gross receipts tax revenue  
2 bonds may be issued for any one or more of the following  
3 purposes:

4 (1) constructing, purchasing, furnishing,  
5 equipping, rehabilitating, making additions to or making  
6 improvements to one or more public buildings or purchasing or  
7 improving any ground relating thereto, including but not  
8 necessarily limited to acquiring and improving parking lots,  
9 or any combination of the foregoing;

10 (2) acquiring or improving municipal or  
11 public parking lots, structures or facilities or any  
12 combination of the foregoing;

13 (3) purchasing, acquiring or rehabilitating  
14 fire-fighting equipment or any combination of the foregoing;

15 (4) acquiring, extending, enlarging,  
16 bettering, repairing, otherwise improving or maintaining storm  
17 sewers and other drainage improvements, sanitary sewers,  
18 sewage treatment plants or water utilities, including but not  
19 necessarily limited to the acquisition of rights of way and  
20 water and water rights, or any combination of the foregoing;

21 (5) reconstructing, resurfacing, maintaining,  
22 repairing or otherwise improving existing alleys, streets,  
23 roads or bridges or any combination of the foregoing or laying  
24 off, opening, constructing or otherwise acquiring new alleys,  
25 streets, roads or bridges or any combination of the foregoing;

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1 provided that any of the foregoing improvements may include  
2 but are not limited to the acquisition of rights of way;

3 (6) purchasing, acquiring, constructing,  
4 making additions to, enlarging, bettering, extending or  
5 equipping airport facilities or any combination of the  
6 foregoing, including without limitation the acquisition of  
7 land, easements or rights of way therefor;

8 (7) purchasing or otherwise acquiring or  
9 clearing land or for purchasing, otherwise acquiring and  
10 beautifying land for open space;

11 (8) acquiring, constructing, purchasing,  
12 equipping, furnishing, making additions to, renovating,  
13 rehabilitating, beautifying or otherwise improving public  
14 parks, public recreational buildings or other public  
15 recreational facilities or any combination of the foregoing;

16 (9) acquiring, constructing, extending,  
17 enlarging, bettering, repairing, otherwise improving or  
18 maintaining solid waste disposal equipment, equipment for  
19 operation and maintenance of sanitary landfills, sanitary  
20 landfills, solid waste facilities or any combination of the  
21 foregoing; and

22 (10) acquiring, constructing, extending,  
23 bettering, repairing or otherwise improving a public transit  
24 system or regional transit systems or facilities.

25 The municipality may pledge irrevocably any or all of the

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1 gross receipts tax revenue received by the municipality  
2 pursuant to Section 7-1-6.4 or 7-1-6.12 NMSA 1978 to the  
3 payment of the interest on and principal of the gross receipts  
4 tax revenue bonds for any of the purposes authorized in this  
5 section or for specific purposes or for any area of municipal  
6 government services, including but not limited to those  
7 specified in Subsection C of Section 7-19D-9 NMSA 1978, or for  
8 public purposes authorized by municipalities having  
9 constitutional home rule charters. A law that imposes or  
10 authorizes the imposition of a municipal gross receipts tax or  
11 that affects the municipal gross receipts tax, or a law  
12 supplemental thereto or otherwise appertaining thereto, shall  
13 not be repealed or amended or otherwise directly or indirectly  
14 modified in such a manner as to impair adversely any  
15 outstanding revenue bonds that may be secured by a pledge of  
16 such municipal gross receipts tax unless the outstanding  
17 revenue bonds have been discharged in full or provision has  
18 been fully made therefor.

19 Revenues in excess of the annual principal and interest  
20 due on gross receipts tax revenue bonds secured by a pledge of  
21 gross receipts tax revenue may be accumulated in a debt  
22 service reserve account. The governing body of the  
23 municipality may appoint a commercial bank trust department to  
24 act as trustee of the gross receipts tax revenue and to  
25 administer the payment of principal of and interest on the

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1 bonds.

2 D. As used in this section, the term "public  
3 building" includes [~~but is not limited to~~] fire stations,  
4 police buildings, municipal jails, regional jails or juvenile  
5 detention facilities, libraries, museums, auditoriums,  
6 convention halls, hospitals, buildings for administrative  
7 offices, city halls and garages for housing, repairing and  
8 maintaining city vehicles and equipment. As used in Chapter  
9 3, Article 31 NMSA 1978, the term "gross receipts tax revenue  
10 bonds" means the bonds authorized in Subsection C of this  
11 section, and the term "gross receipts tax revenue" means the  
12 amount of money distributed to the municipality as authorized  
13 by Section 7-1-6.4 NMSA 1978 or the amount of money  
14 transferred to the municipality as authorized by Section  
15 7-1-6.12 NMSA 1978 for any municipal gross receipts tax  
16 imposed pursuant to the Municipal Local Option Gross Receipts  
17 Taxes Act. As used in Chapter 3, Article 31 NMSA 1978, the  
18 term "bond" means any obligation of a municipality issued  
19 under Chapter 3, Article 31 NMSA 1978, whether designated as a  
20 bond, note, loan, warrant, debenture, lease-purchase agreement  
21 or other instrument evidencing an obligation of a municipality  
22 to make payments.

23 E. Gasoline tax revenue bonds may be issued for  
24 laying off, opening, constructing, reconstructing,  
25 resurfacing, maintaining, acquiring rights of way, repairing

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1 and otherwise improving municipal buildings, alleys, public  
2 parking lots, streets, public roads and bridges or any  
3 combination of the foregoing purposes. The municipality may  
4 pledge irrevocably any or all of the gasoline tax revenue  
5 received by the municipality to the payment of the interest on  
6 and principal of the gasoline tax revenue bonds. As used in  
7 Chapter 3, Article 31 NMSA 1978, "gasoline tax revenue bonds"  
8 means the bonds authorized in this subsection, and "gasoline  
9 tax revenue" means all or portions of the amounts of tax  
10 revenues distributed to municipalities pursuant to Sections 7-  
11 1-6.9 and 7-1-6.27 NMSA 1978, as from time to time amended and  
12 supplemented.

13 F. Project revenue bonds may be issued for  
14 acquiring, extending, enlarging, bettering, repairing,  
15 improving, constructing, purchasing, furnishing, equipping and  
16 rehabilitating any revenue-producing project, including, where  
17 applicable, purchasing, otherwise acquiring or improving the  
18 ground therefor, including but not necessarily limited to  
19 acquiring and improving parking lots, or for any combination  
20 of the foregoing purposes. The municipality may pledge  
21 irrevocably any or all of the net revenues from the operation  
22 of the revenue-producing project for which the particular  
23 project revenue bonds are issued to the payment of the  
24 interest on and principal of the project revenue bonds. The  
25 net revenues of any revenue-producing project [~~may~~] shall not

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1 be pledged to the project revenue bonds issued for a revenue-  
2 producing project that clearly is unrelated in nature; but  
3 nothing in this subsection shall prevent the pledge to such  
4 project revenue bonds of any revenues received from existing,  
5 future or disconnected facilities and equipment that are  
6 related to and that may constitute a part of the particular  
7 revenue-producing project. A general determination by the  
8 governing body that any facilities or equipment is reasonably  
9 related to and constitutes a part of a specified revenue-  
10 producing project shall be conclusive if set forth in the  
11 proceedings authorizing the project revenue bonds. As used in  
12 Chapter 3, Article 31 NMSA 1978:

13 (1) "project revenue bonds" means the bonds  
14 authorized in this subsection; and

15 (2) "project revenues" means the net revenues  
16 of revenue-producing projects that may be pledged to project  
17 revenue bonds pursuant to this subsection.

18 G. Fire district revenue bonds may be issued for  
19 acquiring, extending, enlarging, bettering, repairing,  
20 improving, constructing, purchasing, furnishing, equipping and  
21 rehabilitating any fire district project, including where  
22 applicable purchasing, otherwise acquiring or improving the  
23 ground therefor, or for any combination of the foregoing  
24 purposes. The municipality may pledge irrevocably any or all  
25 of the revenues received by the fire district from the fire



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1 protection fund as provided in the Fire Protection Fund Law  
2 and any or all of the revenues provided for the operation of  
3 the fire district project for which the particular bonds are  
4 issued to the payment of the interest on and principal of the  
5 bonds. The revenues of any fire district project shall not be  
6 pledged to the bonds issued for a fire district project that  
7 clearly is unrelated in its purpose; but nothing in this  
8 section prevents the pledge to such bonds of any revenues  
9 received from existing, future or disconnected facilities and  
10 equipment that are related to and that may constitute a part  
11 of the particular fire district project. A general  
12 determination by the governing body of the municipality that  
13 any facilities or equipment is reasonably related to and  
14 constitutes a part of a specified fire district project shall  
15 be conclusive if set forth in the proceedings authorizing the  
16 fire district bonds.

17 H. Law enforcement protection revenue bonds may be  
18 issued for the repair and purchase of law enforcement  
19 apparatus and equipment that meet nationally recognized  
20 standards. The municipality may pledge irrevocably any or all  
21 of the revenues received by the municipality from the law  
22 enforcement protection fund distributions pursuant to the Law  
23 Enforcement Protection Fund Act to the payment of the interest  
24 on and principal of the law enforcement protection revenue  
25 bonds.

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1           I. Economic development gross receipts tax revenue  
2 bonds may be issued for the purpose of furthering economic  
3 development projects as defined in the Local Economic  
4 Development Act. The municipality may pledge irrevocably any  
5 or all of the revenue received from the municipal  
6 infrastructure gross receipts tax to the payment of the  
7 interest on and principal of the economic development gross  
8 receipts tax revenue bonds for any of the purposes authorized  
9 in this subsection. A law that imposes or authorizes the  
10 imposition of a municipal infrastructure gross receipts tax or  
11 that affects the municipal infrastructure gross receipts tax,  
12 or a law supplemental to or otherwise pertaining to the tax,  
13 shall not be repealed or amended or otherwise directly or  
14 indirectly modified in such a manner as to impair adversely  
15 any outstanding revenue bonds that may be secured by a pledge  
16 of the municipal infrastructure gross receipts tax unless the  
17 outstanding revenue bonds have been discharged in full or  
18 provision has been fully made for their discharge. As used in  
19 Chapter 3, Article 31 NMSA 1978, "economic development gross  
20 receipts tax revenue bonds" means the bonds authorized in this  
21 subsection, and "municipal infrastructure gross receipts tax  
22 revenue" means any or all of the revenue from the municipal  
23 infrastructure gross receipts tax transferred to the  
24 municipality pursuant to Section 7-1-6.12 NMSA 1978.

25           J. Except for the purpose of refunding previous

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1 revenue bond issues, no municipality may sell revenue bonds  
2 payable from pledged revenues after the expiration of two  
3 years from the date of the ordinance authorizing the issuance  
4 of the bonds or, for bonds to be issued and sold to the New  
5 Mexico finance authority as authorized in Subsection C of  
6 Section 3-31-4 NMSA 1978, after the expiration of two years  
7 from the date of the resolution authorizing the issuance of  
8 the bonds. However, any period of time during which a  
9 particular revenue bond issue is in litigation shall not be  
10 counted in determining the expiration date of that issue. "

11 Section 2. Section 4-55A-4 NMSA 1978 (being Laws 1980,  
12 Chapter 91, Section 4, as amended) is amended to read:

13 "4-55A-4. IMPROVEMENT DISTRICT--PURPOSE. --An improvement  
14 district may be created as authorized in the County  
15 Improvement District Act in order to construct, acquire,  
16 repair or maintain in one or more locations any one or any  
17 combination of the following projects, including land served  
18 by any project and any right of way, easement or privilege  
19 appurtenant or related thereto:

20 A. a street, road, bridge, walkway, overpass,  
21 underpass, parkway, alley, curb, gutter or sidewalk project,  
22 including median and divider strips, parkways and boulevards,  
23 ramps and stairways, interchanges, public parking lots, alleys  
24 and intersections, arches, support structures and pilings and  
25 the grading, regrading, oiling, surfacing, graveling,

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1 excavating, macadamizing, paving, repairing, laying,  
2 backfilling, leveling, lighting, landscaping, beautifying or  
3 in any manner improving of all or any part of one or more  
4 streets, roads, bridges, walkways, pathways, curbs, gutters or  
5 sidewalks or any combination of the foregoing;

6 B. any utility project for providing gas, water,  
7 electricity or telephone service;

8 C. any storm sewer project, sanitary sewer project  
9 or water project, including investigating, planning,  
10 constructing, acquiring, excavating, laying, leveling,  
11 backfilling or in any manner improving all or any part of one  
12 or more storm sewers, drains, sanitary sewers, water lines,  
13 trunk lines, mains, laterals and property connections and  
14 acquiring or improving hydrants, meters, valves, catch basins,  
15 inlets, outlets, lift or pumping stations and machinery and  
16 equipment incidental thereto or any combination of the  
17 foregoing;

18 D. a flood control or storm drainage project,  
19 including the investigation, planning, construction,  
20 improvement, replacement, repair or acquisition of dams,  
21 dikes, levees, ditches, canals, basins and appurtenances such  
22 as spillways, outlets, syphons and drop structures, channel  
23 construction, diversions, rectification and protection with  
24 appurtenant structures such as concrete lining, banks,  
25 revetments, culverts, inlets, bridges, transitions and drop

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1 structures, rundowns and retaining walls, storm sewers and  
2 related appurtenances such as inlets, outlets, manholes, catch  
3 basins, syphons and pumping stations, appliances, machinery  
4 and equipment and property rights connected therewith or  
5 incidental thereto convenient and necessary to control floods  
6 or to provide drainage and lessen their danger and damages;

7 E. railroad spurs, railroad tracks, railyards,  
8 rail switches and any necessary real property; or

9 F. on-site or off-site improvements required as a  
10 condition to obtaining required approvals of a development to  
11 be served by a project, including the payment of any fees or  
12 charges levied as a means of paying for all or part of such  
13 on-site or off-site improvements. "

14 Section 3. Section 4-55A-41 NMSA 1978 (being Laws 1991,  
15 Chapter 199, Section 60) is amended to read:

16 "4-55A-41. COUNTY STREET AND ROAD IMPROVEMENT FUND--  
17 USE.--Bonds or assignable certificates authorized in Section  
18 4-55A-20 NMSA 1978 for the construction of a street, road,  
19 walkway, bridge, public parking lot, overpass, underpass,  
20 pathway, alley, curb, gutter or sidewalk project may be  
21 purchased by the county's street and road improvement fund;  
22 provided that the bonds or assignable certificates shall be  
23 held in trust by the county treasurer and any receipts from  
24 the sale of the bonds or assignable certificates or from the  
25 payment of the assessment made to pay the interest and

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1 principal of the bonds or assignable certificates shall be  
2 held in trust by the county treasurer, and any receipts from  
3 the sale of the bonds or assignable certificates or from the  
4 payment of the assessment made to pay the interest and  
5 principal of the bonds or assignable certificates shall be  
6 credited to the county's street and road improvement fund. "

7 Section 4. Section 4-55A-42 NMSA 1978 (being Laws 1991,  
8 Chapter 199, Section 61) is amended to read:

9 "4-55A-42. COUNTY STREET AND ROAD IMPROVEMENT FUND- -  
10 REPURCHASING BONDS OR CERTIFICATES- - PLEDGING INCOME. - -

11 A. The board of county commissioners may, by  
12 ordinance approved by three-fourths of all the members of the  
13 board of county commissioners and irrevocable during the term  
14 of the contract and for a period not exceeding twenty-one  
15 years, contract:

16 (1) to repurchase bonds or assignable  
17 certificates authorized in Section 4-55A-20 NMSA 1978 for  
18 construction of a street, road, bridge, public parking lot,  
19 walkway, overpass, underpass, pathway, alley, curb, gutter or  
20 sidewalk project with the money in the county's street and  
21 road improvement fund; or

22 (2) to pledge the income of the county's  
23 street and road improvement fund to pay the interest and  
24 principal of bonds or assignable certificates when default in  
25 payment may occur by reason of nonpayment of any assessment

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1 levied for the payment of a street, road, bridge, public  
2 parking lot, walkway, overpass, underpass, pathway, alley,  
3 curb, gutter or sidewalk project authorized in the County  
4 Improvement District Act.

5 B. The county may anticipate the annual income to  
6 be received by the county's street and road improvement fund.  
7 The amount contracted or pledged to be expended each year as  
8 authorized in this section shall not exceed the amount that is  
9 accumulated in the street and road improvement fund.

10  
11 C. The ordinance authorized in this section shall  
12 state that:

13 (1) all disbursements made pursuant to the  
14 contract shall be paid solely from the county's street and  
15 road improvement fund and from no other source;

16 (2) the obligations created by the contract  
17 are not general obligations of the county; and

18 (3) the contracting parties may not look to  
19 any other fund for the performance of the contractual  
20 obligation.

21 D. In the event of disbursement from the county's  
22 street and road improvement fund pursuant to the obligations  
23 created by the contract, the county shall be subrogated for  
24 the benefit of the street and road improvement fund to all the  
25 rights and remedies of the holders of the securities upon

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1 which payment is made. "

2 Section 5. Section 4-62-1 NMSA 1978 (being Laws 1992,  
3 Chapter 95, Section 1, as amended by Laws 2001, Chapter 172,  
4 Section 3 and also by Laws 2001, Chapter 328, Section 2) is  
5 amended to read:

6 "4-62-1. REVENUE BONDS--AUTHORITY TO ISSUE--PLEDGE OF  
7 REVENUES--LIMITATION ON TIME OF ISSUANCE.--

8 A. In addition to any other law authorizing a  
9 county to issue revenue bonds, a county may issue revenue  
10 bonds pursuant to Chapter 4, Article 62 NMSA 1978 for the  
11 purposes specified in this section. The term "pledged  
12 revenues", as used in Chapter 4, Article 62 NMSA 1978, means  
13 the revenues, net income or net revenues authorized to be  
14 pledged to the payment of particular revenue bonds as  
15 specifically provided in Subsections B through L of this  
16 section.

17 B. Gross receipts tax revenue bonds may be issued  
18 for one or more of the following purposes:

19 (1) constructing, purchasing, furnishing,  
20 equipping, rehabilitating, making additions to or making  
21 improvements to one or more public buildings or purchasing or  
22 improving ground relating thereto, including but not  
23 necessarily limited to acquiring and improving parking lots,  
24 or any combination of the foregoing;

25 (2) acquiring or improving county or public



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1 parking lots, structures or facilities or any combination of  
2 the foregoing;

3 (3) purchasing, acquiring or rehabilitating  
4 firefighting equipment or any combination of the foregoing;

5 (4) acquiring, extending, enlarging,  
6 bettering, repairing, otherwise improving or maintaining storm  
7 sewers and other drainage improvements, sanitary sewers,  
8 sewage treatment plants, water utilities or other water,  
9 wastewater or related facilities, including but not limited to  
10 the acquisition of rights of way and water and water rights,  
11 or any combination of the foregoing;

12 (5) reconstructing, resurfacing, maintaining,  
13 repairing or otherwise improving existing alleys, streets,  
14 roads or bridges or any combination of the foregoing or laying  
15 off, opening, constructing or otherwise acquiring new alleys,  
16 streets, roads or bridges or any combination of the foregoing;  
17 provided that any of the foregoing improvements may include  
18 the acquisition of rights of way;

19 (6) purchasing, acquiring, constructing,  
20 making additions to, enlarging, bettering, extending or  
21 equipping airport facilities or any combination of the  
22 foregoing, including without limitation the acquisition of  
23 land, easements or rights of way;

24 (7) purchasing or otherwise acquiring or  
25 clearing land or purchasing, otherwise acquiring and

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1 beautifying land for open space;

2 (8) acquiring, constructing, purchasing,  
3 equipping, furnishing, making additions to, renovating,  
4 rehabilitating, beautifying or otherwise improving public  
5 parks, public recreational buildings or other public  
6 recreational facilities or any combination of the foregoing;

7 (9) acquiring, constructing, extending,  
8 enlarging, bettering, repairing or otherwise improving or  
9 maintaining solid waste disposal equipment, equipment for  
10 operation and maintenance of sanitary landfills, sanitary  
11 landfills, solid waste facilities or any combination of the  
12 foregoing; or

13 (10) acquiring, constructing, extending,  
14 bettering, repairing or otherwise improving public transit  
15 systems or any regional transit systems or facilities.

16 A county may pledge irrevocably any or all of the revenue  
17 from the first one-eighth of one percent increment and the  
18 third one-eighth of one percent increment of the county gross  
19 receipts tax and any increment of the county infrastructure  
20 gross receipts tax and county capital outlay gross receipts  
21 tax for payment of principal and interest due in connection  
22 with, and other expenses related to, gross receipts tax  
23 revenue bonds for any of the purposes authorized in this  
24 section or specific purposes or for any area of county  
25 government services. If the revenue from the first one-eighth

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1 of one percent increment or the third one-eighth of one  
2 percent increment of the county gross receipts tax or any  
3 increment of the county infrastructure gross receipts tax or  
4 county capital outlay gross receipts tax is pledged for  
5 payment of principal and interest as authorized by this  
6 subsection, the pledge shall require the revenues received  
7 from that increment of the county gross receipts tax or any  
8 increment of the county infrastructure gross receipts tax or  
9 county capital outlay gross ~~receipt~~ receipts tax to be  
10 deposited into a special bond fund for payment of the  
11 principal, interest and expenses. At the end of each fiscal  
12 year, money remaining in the special bond fund after the  
13 annual obligations for the bonds are fully met may be  
14 transferred to any other fund of the county.

15 Revenues in excess of the annual principal and interest  
16 due on gross receipts tax revenue bonds secured by a pledge of  
17 gross receipts tax revenue may be accumulated in a debt  
18 service reserve account. The governing body of the county may  
19 appoint a commercial bank trust department to act as trustee  
20 of the proceeds of the tax and to administer the payment of  
21 principal of and interest on the bonds.

22 C. Fire protection revenue bonds may be issued for  
23 acquiring, extending, enlarging, bettering, repairing,  
24 improving, constructing, purchasing, furnishing, equipping or  
25 rehabilitating any independent fire district project or

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1 facilities, including where applicable purchasing, otherwise  
2 acquiring or improving the ground for the project, or any  
3 combination of such purposes. A county may pledge irrevocably  
4 any or all of the county fire protection excise tax revenue  
5 for payment of principal and interest due in connection with,  
6 and other expenses related to, fire protection revenue bonds.  
7 These bonds may be referred to in Chapter 4, Article 62 NMSA  
8 1978 as "fire protection revenue bonds".

9 D. Environmental revenue bonds may be issued for  
10 the acquisition and construction of solid waste facilities,  
11 water facilities, wastewater facilities, sewer systems and  
12 related facilities. A county may pledge irrevocably any or  
13 all of the county environmental services gross receipts tax  
14 revenue for payment of principal and interest due in  
15 connection with, and other expenses related to, environmental  
16 revenue bonds. These bonds may be referred to in Chapter 4,  
17 Article 62 NMSA 1978 as "environmental revenue bonds".

18 E. Gasoline tax revenue bonds may be issued for  
19 the acquisition of rights of way for and the construction,  
20 reconstruction, resurfacing, maintenance, repair or other  
21 improvement of county roads, public parking lots and bridges.  
22 A county may pledge irrevocably any or all of the county  
23 gasoline tax revenue for payment of principal and interest due  
24 in connection with, and other expenses related to, county  
25 gasoline tax revenue bonds. These bonds may be referred to in

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1 Chapter 4, Article 62 NMSA 1978 as "gasoline tax revenue  
2 bonds".

3 F. Utility revenue bonds or joint utility revenue  
4 bonds may be issued for acquiring, extending, enlarging,  
5 bettering, repairing or otherwise improving water facilities,  
6 sewer facilities, gas facilities or electric facilities or for  
7 any combination of the foregoing purposes. A county may  
8 pledge irrevocably any or all of the net revenues from the  
9 operation of the utility or joint utility for which the  
10 particular utility or joint utility bonds are issued to the  
11 payment of principal and interest due in connection with, and  
12 other expenses related to, utility or joint utility revenue  
13 bonds. These bonds may be referred to in Chapter 4, Article  
14 62 NMSA 1978 as "utility revenue bonds" or "joint utility  
15 revenue bonds".

16 G. Project revenue bonds may be issued for  
17 acquiring, extending, enlarging, bettering, repairing,  
18 improving, constructing, purchasing, furnishing, equipping or  
19 rehabilitating any revenue-producing project, including as  
20 applicable purchasing, otherwise acquiring or improving the  
21 ground therefor and including but not limited to acquiring and  
22 improving parking lots, or may be issued for any combination  
23 of the foregoing purposes. The county may pledge irrevocably  
24 any or all of the net revenues from the operation of the  
25 revenue-producing project for which the particular project

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1 revenue bonds are issued to the payment of the interest on and  
2 principal of the project revenue bonds. The net revenues of  
3 any revenue-producing project ~~may~~ shall not be pledged to  
4 the project revenue bonds issued for any other revenue-  
5 producing project that is clearly unrelated in nature; but  
6 nothing in this subsection prevents the pledge to any of the  
7 project revenue bonds of the revenues received from existing,  
8 future or disconnected facilities and equipment that are  
9 related to and that may constitute a part of the particular  
10 revenue-producing project. A general determination by the  
11 governing body that facilities or equipment is reasonably  
12 related to and constitutes a part of a specified revenue-  
13 producing project shall be conclusive if set forth in the  
14 proceedings authorizing the project revenue bonds. As used in  
15 Chapter 4, Article 62 NMSA 1978:

16 (1) "project revenue bonds" means the bonds  
17 authorized in this subsection; and

18 (2) "project revenues" means the net revenues  
19 of revenue-producing projects that may be pledged to project  
20 revenue bonds pursuant to this subsection.

21 H. Fire district revenue bonds may be issued for  
22 acquiring, extending, enlarging, bettering, repairing,  
23 improving, constructing, purchasing, furnishing, equipping and  
24 rehabilitating any fire district project, including where  
25 applicable purchasing, otherwise acquiring or improving the

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1 ground therefor, or for any combination of the foregoing  
2 purposes. The county may pledge irrevocably any or all of the  
3 revenues received by the fire district from the fire  
4 protection fund as provided in the Fire Protection Fund Law  
5 and any or all of the revenues provided for the operation of  
6 the fire district project for which the particular bonds are  
7 issued to the payment of the interest on and principal of the  
8 bonds. The revenues of a fire district project shall not be  
9 pledged to the bonds issued for a fire district project that  
10 clearly is unrelated in its purpose; but nothing in this  
11 section prevents the pledge to such bonds of revenues received  
12 from existing, future or disconnected facilities and equipment  
13 that are related to and that may constitute a part of the  
14 particular fire district project. A general determination by  
15 the governing body of the county that facilities or equipment  
16 is reasonably related to and constitutes a part of a specified  
17 fire district project shall be conclusive if set forth in the  
18 proceedings authorizing the fire district revenue bonds.

19 I. Law enforcement protection revenue bonds may be  
20 issued for the repair and purchase of law enforcement  
21 apparatus and equipment that meet nationally recognized  
22 standards. The county may pledge irrevocably any or all of  
23 the revenues received by the county from the law enforcement  
24 protection fund distributions pursuant to the Law Enforcement  
25 Protection Fund Act to the payment of the interest on and

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1 principal of the law enforcement protection revenue bonds.

2 J. Hospital emergency gross receipts tax revenue  
3 bonds may be issued for acquiring, equipping, remodeling or  
4 improving a county hospital or county health facility. A  
5 county may pledge irrevocably to the payment of the interest  
6 on and principal of the hospital emergency gross receipts tax  
7 revenue bonds any or all of the revenues received by the  
8 county from a county hospital emergency gross receipts tax  
9 imposed pursuant to Section 7-20E-12.1 NMSA 1978 and dedicated  
10 to payment of bonds or a loan for acquiring, equipping,  
11 remodeling or improving a county hospital or county health  
12 facility.

13 K. Economic development gross receipts tax revenue  
14 bonds may be issued for the purpose of furthering economic  
15 development projects as defined in the Local Economic  
16 Development Act. A county may pledge irrevocably any or all  
17 of the county infrastructure gross receipts tax to the payment  
18 of the interest on and principal of the economic development  
19 gross receipts tax revenue bonds for the purpose authorized in  
20 this subsection.

21 L. County education gross receipts tax revenue  
22 bonds may be issued for public school or off-campus  
23 instruction program capital projects as authorized in Section  
24 7-20E-20 NMSA 1978. A county may pledge irrevocably any or  
25 all of the county education gross receipts tax revenue to the

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1 payment of interest on and principal of the county education  
2 gross receipts tax revenue bonds for the purpose authorized in  
3 this section.

4 M Except for the purpose of refunding previous  
5 revenue bond issues, no county may sell revenue bonds payable  
6 from pledged revenue after the expiration of two years from  
7 the date of the ordinance authorizing the issuance of the  
8 bonds or, for bonds to be issued and sold to the New Mexico  
9 finance authority as authorized in Subsection C of Section  
10 4-62-4 NMSA 1978, after the expiration of two years from the  
11 date of the resolution authorizing the issuance of the bonds.  
12 However, any period of time during which a particular revenue  
13 bond issue is in litigation shall not be counted in  
14 determining the expiration date of that issue.

15 N. No bonds may be issued by a county, other than  
16 an H class county, a class B county as defined in Section  
17 4-36-8 NMSA 1978 or a class A county as described in Section  
18 4-36-10 NMSA 1978, to acquire, equip, extend, enlarge, better,  
19 repair or construct a utility unless the utility is regulated  
20 by the public regulation commission pursuant to the Public  
21 Utility Act and the issuance of the bonds is approved by the  
22 commission. For purposes of Chapter 4, Article 62 NMSA 1978,  
23 a "utility" includes but is not limited to a water,  
24 wastewater, sewer, gas or electric utility or joint utility  
25 serving the public. H class counties shall obtain public

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1 regulation commission approvals required by Section 3-23-3  
2 NMSA 1978.

3 0. Any law that imposes or authorizes the  
4 imposition of a county gross receipts tax, a county  
5 environmental services gross receipts tax, a county fire  
6 protection excise tax, a county infrastructure gross receipts  
7 tax, the county education gross receipts tax, a county capital  
8 outlay gross receipts tax, the gasoline tax or the county  
9 hospital emergency gross receipts tax, or that affects any of  
10 those taxes, shall not be repealed or amended in such a manner  
11 as to impair outstanding revenue bonds that are issued  
12 pursuant to Chapter 4, Article 62 NMSA 1978 and that may be  
13 secured by a pledge of those taxes unless the outstanding  
14 revenue bonds have been discharged in full or provision has  
15 been fully made therefor.

16 P. As used in this section:

17 (1) "county infrastructure gross receipts tax  
18 revenue" means the revenue from the county infrastructure  
19 gross receipts tax transferred to the county pursuant to  
20 Section 7-1-6.13 NMSA 1978;

21 (2) "county capital outlay gross receipts tax  
22 revenue" means the revenue from the county capital outlay  
23 gross receipts tax transferred to the county pursuant to  
24 Section 7-1-6.13 NMSA 1978;

25 (3) "county education gross receipts tax

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1 revenue" means the revenue from the county education gross  
2 receipts tax transferred to the county pursuant to Section  
3 7-1-6.13 NMSA 1978;

4 (4) "county environmental services gross  
5 receipts tax revenue" means the revenue from the county  
6 environmental services gross receipts tax transferred to the  
7 county pursuant to Section 7-1-6.13 NMSA 1978;

8 (5) "county fire protection excise tax  
9 revenue" means the revenue from the county fire protection  
10 excise tax transferred to the county pursuant to Section  
11 7-1-6.13 NMSA 1978;

12 (6) "county gross receipts tax revenue" means  
13 the revenue attributable to the first one-eighth of one  
14 percent and the third one-eighth of one percent increments of  
15 the county gross receipts tax transferred to the county  
16 pursuant to Section 7-1-6.13 NMSA 1978 and any distribution  
17 related to the first one-eighth of one percent made pursuant  
18 to Section 7-1-6.16 NMSA 1978;

19 (7) "gasoline tax revenue" means the revenue  
20 from that portion of the gasoline tax distributed to the  
21 county pursuant to Sections 7-1-6.9 and 7-1-6.26 NMSA 1978;  
22 and

23 (8) "public building" includes but is not  
24 limited to fire stations, police buildings, county or regional  
25 jails, county or regional juvenile detention facilities,

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1 libraries, museums, auditoriums, convention halls, hospitals,  
2 buildings for administrative offices, courthouses and garages  
3 for housing, repairing and maintaining county vehicles and  
4 equipment.

5 Q. As used in Chapter 4, Article 62 NMSA 1978, the  
6 term "bond" means any obligation of a county issued under  
7 Chapter 4, Article 62 NMSA 1978, whether designated as a bond,  
8 note, loan, warrant, debenture, lease-purchase agreement or  
9 other instrument evidencing an obligation of a county to make  
10 payments. "

11 Section 6. Section 7-1-6.9 NMSA 1978 (being Laws 1991,  
12 Chapter 9, Section 11, as amended) is amended to read:

13 "7-1-6.9. DISTRIBUTION OF GASOLINE TAXES TO  
14 MUNICIPALITIES AND COUNTIES. --

15 A. A distribution pursuant to Section 7-1-6.1 NMSA  
16 1978 shall be made in an amount equal to ten and thirty-eight  
17 hundredths percent of the net receipts attributable to the  
18 taxes, exclusive of penalties and interest, imposed by the  
19 Gasoline Tax Act.

20 B. Except as provided in Subsection D of this  
21 section, the amount determined in Subsection A of this section  
22 shall be distributed as follows:

23 (1) ninety percent of the amount shall be  
24 paid to the treasurers of municipalities and H class counties  
25 in the proportion that the taxable motor fuel sales in each of

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1 the municipalities and H class counties bears to the aggregate  
2 taxable motor fuel sales in all of these municipalities and H  
3 class counties; and

4 (2) ten percent of the amount shall be paid  
5 to the treasurers of the counties, including H class counties,  
6 in the proportion that the taxable motor fuel sales outside of  
7 incorporated municipalities in each of the counties bears to  
8 the aggregate taxable motor fuel sales outside of incorporated  
9 municipalities in all of the counties.

10 C. This distribution shall be paid into a separate  
11 road fund in the municipal treasury or county road fund for  
12 expenditure only for construction, reconstruction, resurfacing  
13 or other improvement or maintenance of public roads, streets,  
14 public parking lots, alleys or bridges, including right-of-way  
15 and materials acquisition. Money distributed pursuant to this  
16 section may be used by a municipality or county to provide  
17 matching funds for projects subject to cooperative agreements  
18 entered into with the state highway and transportation  
19 department pursuant to Section 67-3-28 NMSA 1978. Any  
20 municipality or H class county that has created or that  
21 creates a "street improvement fund" to which gasoline tax  
22 revenues or distributions are irrevocably pledged under  
23 Sections 3-34-1 through 3-34-4 NMSA 1978 or that has pledged  
24 all or a portion of gasoline tax revenues or distributions to  
25 the payment of bonds shall receive its proportion of the

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1 distribution of revenues under this section impressed with and  
2 subject to these pledges.

3 D. This distribution may be paid into a separate  
4 road fund or the general fund of the municipality or county if  
5 the municipality has a population less than three thousand or  
6 the county has a population less than four thousand."

7 Section 7. Section 7-1-6.26 NMSA 1978 (being Laws 1987,  
8 Chapter 347, Section 11, as amended) is amended to read:

9 "7-1-6.26. COUNTY GOVERNMENT ROAD FUND-- DISTRIBUTION. --

10 A. For the purposes of this section, "distributable  
11 amount" means the amount in the county government road fund as  
12 of the last day of any month for which a distribution is  
13 required to be made pursuant to this section in excess of the  
14 balance in that fund as of the last day of the preceding month  
15 after reduction for any required distributions for the  
16 preceding month.

17 B. The secretary of highway and transportation  
18 shall determine and certify on or before July 1, 1987 and on  
19 or before July 1 of each subsequent year the total miles of  
20 public roads maintained by each county pursuant to Section  
21 66-6-23 NMSA 1978. For the purposes of this subsection, if  
22 the certified mileage of public roads maintained by a county  
23 is less than four hundred miles, the state treasurer shall  
24 increase the number of miles of public roads maintained by  
25 that county by fifty percent and revise the total miles of

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1 public roads maintained by all counties accordingly. Except  
2 as provided otherwise in Subsection D of this section, each  
3 county shall receive an amount equal to its proportionate  
4 share of miles of public roads maintained, as the number of  
5 miles for the county may have been revised pursuant to this  
6 subsection, to the total miles of public roads maintained by  
7 all counties, as that total may have been revised pursuant to  
8 this subsection, [~~times~~] multiplied by fifty percent of the  
9 distributable amount in the county government road fund.

10 C. Except as provided otherwise in Subsection D of  
11 this section, each county shall receive a share of fifty  
12 percent of the distributable amount in the county government  
13 road fund as determined in this subsection. The amount for  
14 each county shall be the greater of:

15 (1) twenty-one cents (\$.21) multiplied by the  
16 county's population as shown by the most recent federal  
17 decennial census; or

18 (2) the proportionate share that the taxable  
19 gallons of gasoline reported for that county for the preceding  
20 fiscal year bear to the total taxable gallons of gasoline for  
21 all counties in the preceding fiscal year, as determined by  
22 the department, multiplied by fifty percent of the  
23 distributable amount in the county government road fund.

24 If the sum of the amounts to be distributed pursuant to  
25 Paragraphs (1) and (2) of this subsection exceeds fifty

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1 percent of the distributable amount in the county government  
2 road fund, the excess shall be eliminated by multiplying the  
3 amount determined in Paragraphs (1) and (2) of this subsection  
4 for each county by a fraction, the numerator of which is fifty  
5 percent of the distributable amount in the county government  
6 road fund, and the denominator of which is the sum of amounts  
7 determined for all counties in Paragraphs (1) and (2) of this  
8 subsection.

9 D. If the distribution for a class A county or for  
10 an H class county determined pursuant to Subsections B and C  
11 of this section exceeds an amount equal to one-twelfth of the  
12 product of the total taxable gallons of gasoline reported for  
13 the county for the preceding fiscal year [~~times~~] multiplied by  
14 one cent (\$.01), the distribution for that county shall be  
15 reduced to an amount equal to one-twelfth of the product of  
16 the total taxable gallons of gasoline reported for the county  
17 for the preceding fiscal year [~~times~~] multiplied by one cent  
18 (\$.01). Any amount of the reduction shall be shared among the  
19 counties whose distribution has not been reduced pursuant to  
20 this subsection in the ratio of the amounts computed in  
21 Subsections B and C of this section.

22 E. If a county has not ~~made~~ the required mileage  
23 certification pursuant to Section 67-3-28.3 NMSA 1978 by ~~May~~  
24 1, 1988, and by April 1 of every year thereafter, of the year  
25 for which distribution is being ~~made~~, the secretary of highway



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1 and transportation shall estimate the mileage maintained by  
2 those counties for the purpose of making distribution to all  
3 counties, and the amount calculated to be distributed each  
4 month to those counties not certifying mileage shall be  
5 reduced by one-third each month for that fiscal year and that  
6 amount not distributed to those counties shall be distributed  
7 equally to all counties that have certified mileages.

8 F. Distributions made to counties pursuant to this  
9 section shall be deposited in the county road fund to be used  
10 for the construction, reconstruction, resurfacing or other  
11 improvement or maintenance of the public roads, public parking  
12 lots and bridges in the county, including right-of-way and  
13 materials acquisition. Money distributed pursuant to this  
14 section may be used by the county to provide matching funds  
15 for projects subject to cooperative agreements entered into  
16 with the state highway and transportation department pursuant  
17 to Section 67-3-28 NMSA 1978. "

18 Section 8. Section 7-1-6.27 NMSA 1978 (being Laws 1991,  
19 Chapter 9, Section 20, as amended) is amended to read:

20 "7-1-6.27. DISTRIBUTION--MUNICIPAL ROADS.--

21 A. A distribution pursuant to Section 7-1-6.1 NMSA  
22 1978 shall be made to municipalities for the purposes and  
23 amounts specified in this section in an aggregate amount equal  
24 to five and seventy-six hundredths percent of the net receipts  
25 attributable to the gasoline tax.

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1           B. The distribution authorized in this section  
2 shall be used for the following purposes:

3                   (1) reconstructing, resurfacing, maintaining,  
4 repairing or otherwise improving existing alleys, streets,  
5 public parking lots, roads or bridges, or any combination of  
6 the foregoing; or laying off, opening, constructing or  
7 otherwise acquiring new alleys, streets, roads or bridges, or  
8 any combination of the foregoing; provided that any of the  
9 foregoing improvements may include, but are not limited to,  
10 the acquisition of rights of way;

11                   (2) to provide matching funds for projects  
12 subject to cooperative agreements with the state highway and  
13 transportation department pursuant to Section 67-3-28 NMSA  
14 1978; and

15                   (3) for expenses of purchasing, maintaining  
16 and operating transit operations and facilities, for the  
17 operation of a transit authority established by the municipal  
18 transit law and for the operation of a vehicle emission  
19 inspection program. A municipality may engage in the business  
20 of the transportation of passengers and property within the  
21 political subdivision by whatever means the municipality may  
22 decide and may acquire cars, trucks, motor buses and other  
23 equipment necessary for operating the business. A  
24 municipality may acquire land, erect buildings and equip the  
25 buildings with all the necessary machinery and facilities for

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1 the operation, maintenance, modification, repair and storage  
2 of the cars, trucks, motor buses and other equipment needed.  
3 A municipality may do all things necessary for the acquisition  
4 and the conduct of the business of public transportation.

5 C. For the purposes of this section:

6 (1) "computed distribution amount" means the  
7 distribution amount calculated for a municipality for a month  
8 pursuant to Paragraph (2) of Subsection D of this section  
9 prior to any adjustments to the amount due to the provisions  
10 of Subsections E and F of this section;

11 (2) "floor amount" means four hundred  
12 seventeen dollars (\$417);

13 (3) "floor municipality" means a municipality  
14 whose computed distribution amount is less than the floor  
15 amount; and

16 (4) "full distribution municipality" means a  
17 municipality whose population at the last federal decennial  
18 census was at least two hundred thousand.

19 D. Subject to the provisions of Subsections E and F  
20 of this section, each municipality shall be distributed a  
21 portion of the aggregate amount distributable under this  
22 section in an amount equal to the greater of:

23 (1) the floor amount; or

24 (2) eighty-five percent of the aggregate  
25 amount distributable under this section [~~times~~] multiplied by

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1 a fraction, the numerator of which is the municipality's  
2 reported taxable gallons of gasoline for the immediately  
3 preceding state fiscal year and the denominator of which is  
4 the reported total taxable gallons for all municipalities for  
5 the same period.

6 E. Fifteen percent of the aggregate amount  
7 distributable under this section shall be referred to as the  
8 "redistribution amount". Beginning in August 1990, and each  
9 month thereafter, from the redistribution amount there shall  
10 be taken an amount sufficient to increase the computed  
11 distribution amount of every floor municipality to the floor  
12 amount. In the event that the redistribution amount is  
13 insufficient for this purpose, the computed distribution  
14 amount for each floor municipality shall be increased by an  
15 amount equal to the redistribution amount [~~times~~] multiplied  
16 by a fraction, the numerator of which is the difference  
17 between the floor amount and the municipality's computed  
18 distribution amount and the denominator of which is the  
19 difference between the product of the floor amount multiplied  
20 by the number of floor municipalities and the total of the  
21 computed distribution amounts for all floor municipalities.

22 F. If a balance remains after the redistribution  
23 amount has been reduced pursuant to Subsection E of this  
24 section, there shall be added to the computed distribution  
25 amount of each municipality that is neither a full

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1 distribution municipality nor a floor municipality an amount  
2 that equals the balance of the redistribution amount [~~times~~]  
3 multiplied by a fraction the numerator of which is the  
4 computed distribution amount of the municipality and the  
5 denominator of which is the sum of the computed distribution  
6 amounts of all municipalities that are neither full  
7 distribution municipalities nor floor municipalities. "

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