

1 SENATE BILL 276

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

3 INTRODUCED BY

4 Richard C. Martinez

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10 AN ACT

11 RELATING TO TAXATION; PROVIDING FOR A TEMPORARY INCREASE IN THE
12 MOTOR VEHICLE EXCISE TAX TO FUND THE COMPLETION OF MAJOR
13 INVESTMENT HIGHWAY PROJECTS IN EACH OF THE SIX STATE
14 TRANSPORTATION COMMISSION DISTRICTS; CREATING THE HIGHWAY
15 DISTRICT PROJECTS FUND; AUTHORIZING THE ISSUANCE OF HIGHWAY
16 DISTRICT PROJECTS BONDS; MAKING AN APPROPRIATION.

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

19 SECTION 1. Section 7-14-4 NMSA 1978 (being Laws 1988,
20 Chapter 73, Section 14) is amended to read:

21 "7-14-4. DETERMINATION OF AMOUNT OF MOTOR VEHICLE EXCISE
22 TAX.--

23 A. Through June 30, 2031, the rate of the motor
24 vehicle excise tax is five percent and is applied to the price
25 paid for the vehicle. If the price paid does not represent the

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1 value of the vehicle in the condition that existed at the time
2 it was acquired, the tax rate shall be applied to the
3 reasonable value of the vehicle in such condition at such time.
4 However, allowances granted for vehicle trade-ins may be
5 deducted from the price paid or the reasonable value of the
6 vehicle purchased.

7 B. On and after July 1, 2031, the rate of the motor
8 vehicle excise tax is three percent and is applied to the price
9 paid for the vehicle. If the price paid does not represent the
10 value of the vehicle in the condition that existed at the time
11 it was acquired, the tax rate shall be applied to the
12 reasonable value of the vehicle in such condition at such time.
13 However, allowances granted for vehicle trade-ins may be
14 deducted from the price paid or the reasonable value of the
15 vehicle purchased."

16 SECTION 2. Section 7-14-10 NMSA 1978 (being Laws 1988,
17 Chapter 73, Section 20, as amended) is amended to read:

18 "7-14-10. DISTRIBUTION OF PROCEEDS.--

19 A. Through June 30, 2031, the receipts from the
20 motor vehicle excise tax and any associated interest and
21 penalties shall be deposited in the motor vehicle suspense
22 fund. As of the end of each month:

23 (1) sixty percent of the net receipts
24 attributable to the tax and associated penalties and interest
25 shall be distributed to the general fund; and

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1 (2) forty percent of the net receipts
2 attributable to the tax and any associated interest and
3 penalties shall be distributed to the highway district projects
4 fund created pursuant to Section 67-3-59.5 NMSA 1978.

5 B. On and after July 1, 2031, the receipts from the
6 tax and any associated interest and penalties shall be
7 deposited in the "motor vehicle suspense fund", hereby created
8 in the state treasury. As of the end of each month, the net
9 receipts attributable to the tax and associated penalties and
10 interest shall be distributed to the general fund."

11 SECTION 3. A new Section 67-3-59.5 NMSA 1978 is enacted
12 to read:

13 "67-3-59.5. [NEW MATERIAL] HIGHWAY DISTRICT PROJECTS FUND
14 CREATED--USE.--

15 A. The "highway district projects fund" is created
16 in the state treasury and shall be administered by the
17 department. Money in the fund is appropriated to the
18 department for the purposes of carrying out the provisions of
19 this section and Section 67-3-59.6 NMSA 1978. The fund shall
20 consist of money from taxes distributed to the fund. Earnings
21 on investment of the fund shall be credited to the fund.
22 Balances in the fund at the end of any fiscal year shall remain
23 in the fund after all required debt service payments and other
24 required debt service and reserve fund deposits have been made
25 for bonds issued pursuant to Section 67-3-59.6 NMSA 1978;

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1 provided that when the bonds have been retired, balances in the
2 fund shall revert to the state road fund. The amounts that
3 revert to the state road fund shall be used for the acquisition
4 of rights of way, planning, design, engineering, construction,
5 improvement and maintenance for state highway projects.

6 B. Except as provided in Subsection E of Section
7 67-3-59.6 NMSA 1978, money in the fund shall be used solely for
8 payments and other deposits of debt service or for reserve
9 requirements for the bonds issued to accomplish the major
10 investment highway projects identified in Subsection D of this
11 section for each of the six state transportation commission
12 districts. The bonds authorized by this section may be called
13 "highway district projects bonds".

14 C. The taxes required by law to be distributed to
15 the highway district projects fund may be pledged for the
16 payment of highway district projects bonds issued pursuant to
17 Section 67-3-59.6 NMSA 1978 for the major investment highway
18 projects authorized in Subsection D of this section.

19 D. The state transportation commission may issue
20 and sell highway district projects bonds in compliance with the
21 provisions of Section 67-3-59.6 NMSA 1978 when the commission
22 determines the need for the issuance of the bonds for the
23 following major investment highway projects:

- 24 (1) in district 1:
 - 25 (a) New Mexico route 136 roadway

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1 reconstruction from the port of entry north to McNutt road in
2 the border region, from mile point 0.0 to mile point 9.1;

3 (b) New Mexico route 1 roadway
4 reconstruction and the interstate 25 Nogal canyon oversize or
5 overweight bypass, from mile point 8.9 to mile point 20.8;

6 (c) interstate 25 roadway reconstruction
7 and widening to six lanes, including existing bridges, and
8 interstate 25 and interstate 10 interchange and United States
9 route 70 interchange, including University interchange, from
10 mile point 0.0 to mile point 6.0;

11 (d) United States route 70 roadway
12 reconstruction, including new six-lane construction, from
13 Solano avenue to interstate 25 and United States route 70
14 interchange, from mile point 148.8 to mile point 150.1; and

15 (e) United States route 180 roadway
16 rehabilitation, including passing lanes, from Deming to Bayard,
17 from mile point 122 to mile point 160;

18 (2) in district 2:

19 (a) New Mexico route 529 shoulder
20 widening and passing lanes, from mile point 0.0 to mile point
21 22.0;

22 (b) United States route 285 shoulder
23 widening and reconstruction from the state line to Loving, from
24 mile point 0.0 to mile point 20.0;

25 (c) United States route 54 roadway

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1 rehabilitation, including shoulders and passing lanes, from
2 mile point 119.0 to mile point 130.0 and from mile point 146.0
3 to mile point 163.0;

4 (d) New Mexico route 8 roadway
5 rehabilitation from Eunice north to the junction with United
6 States route 62; and

7 (e) United States route 380 roadway
8 rehabilitation, including shoulder widening, from Capitan to
9 Hondo, from mile point 85.0 to mile point 92.0;

10 (3) in district 3:

11 (a) New Mexico route 45 roadway
12 reconstruction, including widening to six lanes, from
13 interstate 25 to Central avenue, from mile point 3.0 to mile
14 point 13.0; and

15 (b) interstate 25 roadway reconstruction
16 and widening to six lanes, including existing bridges, from New
17 Mexico route 314 to the Broadway interchange, from mile point
18 213.7 to mile point 215.3;

19 (4) in district 4:

20 (a) United States route 54 bridge
21 replacement and roadway reconstruction, including the Canadian
22 river bridge, from mile point 323.0 to mile point 326.5;

23 (b) United States route 56 roadway
24 rehabilitation, including shoulder widening, from Springer east
25 to Abbott, from mile point 0.0 to mile point 8.0;

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1 (c) interstate 25 roadway reconstruction
2 from the north Raton interchange to the state line, from mile
3 point 455.0 to mile point 460.0; and

4 (d) United States route 64 and 87
5 pavement rehabilitation and spot reconstruction, from mile
6 point 364.8 to mile point 391.7;

7 (5) in district 5:

8 (a) United States route 64 truss bridge
9 replacement at mile point 22.1 near Shiprock;

10 (b) United States route 64 roadway
11 reconstruction from the Rio Arriba county line east to United
12 States route 84, from mile point 87.0 to mile point 107.0 and
13 from mile point 114.7 to mile point 135.5;

14 (c) United States route 491 roadway
15 reconstruction, including bridge rehabilitation, from Shiprock
16 to the Colorado state line, from mile point 94.2 to mile point
17 107.0; and

18 (d) New Mexico route 68 roadway
19 reconstruction, including subgrade stabilization, access
20 management and multi-modal enhancement from Espanola to
21 Velarde, from mile point 3.8 to mile point 13.8; and

22 (6) in district 6:

23 (a) New Mexico route 118 roadway
24 reconstruction, including drainage improvements east of Gallup,
25 from mile point 28.0 to mile point 37.0; and

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1 (b) interstate 40 roadway
2 reconstruction, from mile point 38.0 to mile point 47.0."

3 SECTION 4. A new Section 67-3-59.6 NMSA 1978 is enacted
4 to read:

5 "67-3-59.6. [NEW MATERIAL] HIGHWAY DISTRICT PROJECTS
6 BONDS--ISSUANCE--LIMITS--APPROVAL.--

7 A. In order to provide funds to finance the major
8 investment highway projects identified in Section 67-3-59.5
9 NMSA 1978, the state transportation commission, or the New
10 Mexico finance authority at the commission's direction and on
11 the commission's behalf, may issue highway district projects
12 bonds from time to time, subject to the limitations of this
13 section and Section 67-3-59.5 NMSA 1978, payable from taxes
14 required by law to be paid into the highway district projects
15 fund. The proceeds from the sale of the bonds are appropriated
16 to the department for the purposes described in this section
17 and in Section 67-3-59.5 NMSA 1978.

18 B. The state transportation commission, or the New
19 Mexico finance authority at the commission's direction, may
20 issue bonds to refund other bonds issued pursuant to this
21 section or by exchange or current or advance refunding.

22 C. The total aggregate outstanding principal amount
23 of bonds issued from time to time pursuant to this section
24 shall not, without additional authorization of the state
25 legislature, exceed six hundred fifty million dollars

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1 (\$650,000,000).

2 D. The state transportation commission, or the New
3 Mexico finance authority at the commission's direction, shall
4 determine all terms, covenants and conditions of the bonds;
5 provided that the project design life of a major investment
6 highway project meets or exceeds the life of the bonds issued
7 for that project. The state transportation commission, or the
8 New Mexico finance authority if directed, may enter into
9 interest rate exchange agreements, interest rate swap
10 contracts, insurance agreements, remarketing agreements and any
11 other agreements deemed necessary in connection with the
12 issuance of the bonds.

13 E. Proceeds of the bonds and amounts on deposit in
14 the highway district projects fund may be used to pay expenses
15 incurred in the preparation, administration, issuance and sale
16 of the bonds and, together with the earnings on the proceeds of
17 the bonds, may be used to pay rebate, penalty, interest and
18 other obligations relating to the bonds and the proceeds of the
19 bonds pursuant to the federal Internal Revenue Code of 1986, as
20 amended.

21 F. This section is full authority for the issuance
22 and sale of the bonds, and the bonds shall not be invalid for
23 any irregularity or defect in the proceedings for their
24 issuance and sale and shall be incontestable in the hands of
25 bona fide purchasers or holders of the bonds for value.

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1 G. The bonds shall be legal investments for a
2 person or board charged with the investment of public funds and
3 may be accepted as security for a deposit of public money and,
4 with the interest thereon, are exempt from taxation by the
5 state or a political subdivision or agency of the state.

6 H. Any law authorizing the imposition or
7 distribution of taxes or fees paid into the highway district
8 projects fund or that affects those taxes and fees shall not be
9 amended or repealed or otherwise directly or indirectly
10 modified so as to impair outstanding bonds secured by a pledge
11 of revenues from those taxes and fees paid into the highway
12 district projects fund, unless the bonds have been discharged
13 in full or provisions have been made for a full discharge. In
14 addition, while any bonds issued by the state transportation
15 commission pursuant to the provisions of this section remain
16 outstanding, the powers or duties of the state transportation
17 commission shall not be diminished or impaired in any manner
18 that will affect adversely the interests and rights of the
19 holder of such bonds.

20 I. Bonds issued pursuant to this section shall not
21 constitute a general obligation of the state and shall be paid
22 solely from taxes and fees deposited into the highway district
23 projects fund."

24 **SECTION 5. EFFECTIVE DATE.**--The effective date of the
25 provisions of this act is July 1, 2016.

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