

HOUSE BILL 145

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

INTRODUCED BY

Dayan Hochman-Vigil and Patricia A. Lundstrom
and Art De La Cruz and Cathrynn N. Brown and Nathan P. Small

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO THE FINANCING OF HIGHWAY PROJECTS; PROVIDING
ADDITIONAL BONDING AUTHORITY OF THE STATE TRANSPORTATION
COMMISSION FOR STATE HIGHWAY PROJECTS HTPWC→IDENTIFIED IN THE
STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM; REQUIRING THE
DEPARTMENT OF TRANSPORTATION TO INCLUDE A REPORT ON HIGHWAY
PROJECT SELECTION AND PRIORITIES FINANCED BY BONDS IN ITS
ANNUAL BUDGET REQUEST←HTPWC .

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

.229572.2GLGAIC February 20, 2025 (9:08pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

underscored material = new
[bracketed material] = delete
Amendments: new = → bold, blue, highlight
delete = → bold, red, highlight, strikethrough

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 transportation commission is authorized, subject to the limitations of this section, to issue bonds from time to time, payable from federal funds not otherwise obligated that are paid into the state road fund and the proceeds of the collection of taxes and fees that are required by law to be paid into the state road fund and not otherwise pledged solely to the payment of outstanding bonds and debentures.

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

.229572.2GLGAIC February 20, 2025 (9:08pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

subject to the following provisions:

(1) the total aggregate outstanding principal amount of bonds issued for 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 one hundred million dollars (\$100,000,000); and

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

(1) an aggregate outstanding principal amount of bonds, not to exceed six hundred twenty-four million dollars (\$624,000,000), for major highway infrastructure projects for

undescored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

which the department has, prior to January 1, 1998, submitted or initiated the process of submitting a plan to the federal highway administration for innovative financing pursuant to 23 USCA Sections 122 and 307;

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

(3) an aggregate outstanding principal amount of bonds, not to exceed four hundred million dollars (\$400,000,000), for other state highway projects.

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

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

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

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

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

E. An additional one billion five hundred million

.229572.2GLGAIC February 20, 2025 (9:08pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

dollars (\$1,500,000,000) of bonds may be issued pursuant to this section for state highway projects HTPWC→identified in the statewide transportation improvement program←HTPWC to be secured by or payable from federal funds or from taxes or fees not otherwise obligated and required by law to be paid into the state road fund; provided that the issuance of the bonds shall not cause the aggregate outstanding principal amount of bonds issued by the commission to exceed one billion one hundred twenty-four million dollars (\$1,124,000,000).

[E.] F. The state transportation commission may issue bonds to refund other bonds issued pursuant to this section by exchange or current or advance refunding.

[F.] G. Each series of bonds shall have a maturity of no more than twenty-five years from the date of issuance. The state transportation 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.

[G.] H. The bonds shall be executed with the manual or facsimile signature of the [~~chairman~~] chair of the state transportation commission, countersigned by the state treasurer and attested to by the secretary of the state transportation commission, with the seal of the state transportation

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

commission imprinted or otherwise affixed to the bonds.

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

[I.] J. The bonds may be sold at a public or negotiated sale at, above or below par or through the New Mexico finance authority. A negotiated sale shall be made with one or more investment bankers whose services are obtained through a competitive proposal process. For any sale, the state transportation commission or the New Mexico finance authority shall also procure the services of any financial advisor or bond counsel through a competitive proposal process. If sold at public sale, a notice of the time and place of sale shall be published in a newspaper of general circulation in the state, and in any other newspaper determined in the resolution authorizing the issuance of the bonds, once each week for two consecutive weeks prior to the date of sale. The bonds may be purchased by the state treasurer or state investment officer.

[J.] K. This section is full authority for the issuance and sale of the bonds, and the bonds shall not be invalid for any irregularity or defect in the proceedings for their issuance and sale and shall be incontestable in the hands

.229572.2GLGAIC February 20, 2025 (9:08pm)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

of bona fide purchasers or holders of the bond for value.

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

[L.] M. Any law authorizing the imposition or distribution of taxes or fees paid into the state road fund or the highway infrastructure fund or that affects those taxes and fees shall not be amended or repealed or otherwise directly or indirectly modified so as to impair outstanding bonds secured by a pledge of revenues from those taxes and fees paid into the state road fund or the highway infrastructure fund, unless the bonds have been discharged in full or provisions have been made for a full discharge. In addition, while any bonds issued by the state transportation commission pursuant to the provisions of this section remain outstanding, the powers or duties of the commission shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holder of such bonds.

[M.] N. In contracting for state highway projects to be paid in whole or in part with proceeds of bonds authorized by this section, the department shall require that any sand, gravel, caliche or similar material needed for the project shall, if practicable, be mined from state lands. Each

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

contract shall provide that the contractor notify the commissioner of public lands of the need for the material and that, through lease or purchase, the material shall be mined from state lands if:

- (1) the material needed is available from state lands in the vicinity of the project;
- (2) the commissioner determines that the lease or purchase is in the best interest of the state land trust beneficiaries; and
- (3) the cost to the contractor for the material, including the costs of transportation, is competitive 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. HTPWC→~~u~~←HTPWC

HTPWC→**P. In the budget form submitted pursuant to Section 6-3-18 NMSA 1978, the department shall include a report on highway projects financed pursuant to this section. The report shall include:**

- (1) **justification for the selection and priority ranking of each project, including:**
 - (a) **traffic counts, accident rates and the expected improvements to traffic flow and health and**

.229572.2GLGAIC February 20, 2025 (9:08pm)

underscoring material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

safety;

(b) the ranking of the pavement and substructure conditions;

(c) an assessment of economic development impacts; and

(d) other information deemed significant by the department;

(2) the expected life of the proposed project;

(3) the amount of revenue required to pay the principal and interest of outstanding and proposed bonds based on a five- and twenty-year forecast of the state road fund; and

(4) the effect of the bond program on the department's construction and maintenance program."←HTPWC