

AN ACT

RELATING TO FINANCE; AMENDING THE NEW MEXICO FINANCE AUTHORITY ACT TO ADD A REQUIREMENT FOR LEGISLATIVE APPROVAL OF LOCAL TRANSPORTATION INFRASTRUCTURE FUND PROJECTS.

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

Section 1. Section 6-21-6.8 NMSA 1978 (being Laws 2005, Chapter 262, Section 1) is amended to read:

"6-21-6.8. LOCAL TRANSPORTATION INFRASTRUCTURE FUND-- CREATION--PURPOSE--ADMINISTRATION.--

A. The "local transportation infrastructure fund" is created within the authority. For the purposes of this section, "fund" means the local transportation infrastructure fund. The fund shall be administered by the authority as a separate account, but may consist of subaccounts if the authority deems them necessary to carry out the purposes of the fund. The authority shall adopt rules in accordance with the New Mexico Finance Authority Act necessary to administer the fund.

B. The following shall be deposited directly into the fund:

(1) beginning July 1, 2005, one-half of the annual administrative fee received by the authority for issuing state transportation bonds pursuant to Sections 67-3-59.3 and 67-3-59.4 NMSA 1978;

(2) money from the payment of principal and interest on loans and payments of principal and interest on securities held by the authority for local transportation projects;

(3) money appropriated by the legislature to implement the provisions of this section; and

(4) other public or private money appropriated, dedicated or allocated to the fund for the purpose of financing local transportation projects.

C. For the purposes of this section, "local transportation projects" means local transportation projects of qualified entities authorized specifically by law as provided in Subsection F of this section.

D. Money in the fund is appropriated to the authority to pay the reasonable and necessary costs of originating and servicing loans, grants or securities funded by the fund and to make loans or grants and to purchase or sell securities to assist qualified entities in financing local transportation projects in accordance with the New Mexico Finance Authority Act.

E. The authority may make grants from the fund to qualified entities for local transportation projects when:

(1) a grant is not more than twenty-five percent of the total project cost; and

(2) a qualified entity demonstrates that it

has available or a binding commitment from another person to make available for a project the portion of the total project cost not provided by the grant. The qualified entity may enter into a loan agreement or an agreement to sell the qualified entity's securities with the authority, or the qualified entity may use another source of money available for the project, to provide the costs not covered by the grant.

F. No later than December 15 of each year, the secretary of transportation, using the department of transportation's metropolitan planning organization and regional planning organization planning process, shall submit a prioritized list of local transportation projects to the authority that the metropolitan planning organizations and regional planning organizations have determined are appropriate for grants or other funding support pursuant to this section. The list of local transportation projects shall be submitted to the legislature for specific authorization by law. The authority shall act on local transportation projects in the priority approved by the legislature; provided that the authority, based on the availability of money in the fund, may determine that a qualified entity shall receive a grant or other funding support for a project out of the order of priority it would otherwise have had or that no grant or other funding support be provided for the project. The rules of the authority for administration of the fund may set a maximum

amount of grant or other funding support for a local transportation project.

G. Money in the local transportation infrastructure fund not needed for immediate disbursement, including money held in reserve, may be deposited with the state treasurer for short-term investment pursuant to Section 6-10-10.1 NMSA 1978 or may be invested in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, obligations of this state or any political subdivision of the state, interest-bearing time deposits, commercial paper issued by corporations organized and operating in the United States and rated "prime" quality by a national rating service, other investments permitted by Section 6-10-10 NMSA 1978 or as otherwise provided by the trust indenture or bond resolution, if money is pledged for or secures payment of bonds issued by the authority.

H. The authority shall establish fiscal controls and accounting procedures that are sufficient to assure proper accounting for local transportation infrastructure fund payments, disbursements and balances."

Section 2. EFFECTIVE DATE.--The effective date of the provisions of this act is September 1, 2007. _____