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HOUSE BILL 734

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

RELATING TO PUBLIC FINANCES; ALLOWING INVESTMENT EARNINGS FROM  
THE LOCAL GOVERNMENT TRANSPORTATION FUND TO BE USED FOR PROJECT  
COSTS.

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

Section 1. Section 6-21-6.12 NMSA 1978 (being Laws 2007  
(1st S.S), Chapter 3, Section 2, as amended) is amended to  
read:

"6-21-6.12. LOCAL GOVERNMENT TRANSPORTATION FUND--  
CREATED--DISTRIBUTIONS.--

A. The "local government transportation fund" is  
created within the authority. 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 purpose of the fund. The fund shall consist of general

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1 fund appropriations and severance tax bond proceeds  
2 appropriated to the fund and, except as provided in Subsection  
3 E of this section, all earnings of the fund.

4 B. Except as provided in Subsection D of this  
5 section, upon certification by the department of transportation  
6 that a project has been approved for payment and upon  
7 compliance with the requirements of this section, money in the  
8 fund shall be distributed to local governments for projects  
9 specifically authorized by the legislature. The authority  
10 shall issue payment to the local government named in the  
11 project application and certification or to the federal  
12 department of transportation, acting as the fiscal agent for  
13 the local government.

14 C. Except as provided in Subsection D of this  
15 section, distributions from the fund shall be made pursuant to  
16 the following criteria:

17 (1) projects shall be funded in the order that  
18 a completed application from a local government is received if  
19 the application shows, to the satisfaction of the department,  
20 that the project is ready to proceed and that the local  
21 government has, or will timely have, the required match for the  
22 distribution;

23 (2) distributions from the fund shall be used  
24 to pay no more than the state's portion of the total cost  
25 necessary to develop and construct the project as presented in

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1 the approved application;

2 (3) to qualify for funding, a local government  
3 shall apply for funding through the department of  
4 transportation's regional or metropolitan planning  
5 organizations;

6 (4) a local government shall show, to the  
7 satisfaction of the department of transportation, that it will  
8 match the distribution from the local government transportation  
9 fund in the following amounts:

10 (a) for a project with a total cost of  
11 less than five hundred thousand dollars (\$500,000), the local  
12 government shall contribute ten percent of the total project  
13 cost;

14 (b) for a project with a total cost of  
15 five hundred thousand dollars (\$500,000) or greater, but less  
16 than or equal to one million dollars (\$1,000,000), the local  
17 government shall contribute twenty percent of the total project  
18 cost;

19 (c) for a project with a total cost  
20 greater than one million dollars (\$1,000,000), but less than or  
21 equal to six million dollars (\$6,000,000), the local government  
22 shall contribute thirty-five percent of the total project cost;  
23 and

24 (d) for a project with a total project  
25 cost greater than six million dollars (\$6,000,000), the local

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1 government shall contribute forty-five percent of the total  
2 project cost; and

3 (5) in determining the sufficiency of a local  
4 government's matching contribution, the department shall  
5 consider actual funds, in-kind contributions, preconstruction  
6 design and development costs and other related expenditures  
7 made in the furtherance of the project. Matching fund sources  
8 may be any money available to the local government for the  
9 project, including:

10 (a) grants or loans by the authority  
11 from the local transportation infrastructure fund;

12 (b) appropriations from local government  
13 road funds;

14 (c) community development block grants;  
15 and

16 (d) available federal funds.

17 D. Notwithstanding the requirements of Subsections  
18 B and C of this section, up to five hundred thousand dollars  
19 (\$500,000) of the fund may be expended by the department of  
20 transportation for engineering and design services to develop  
21 the projects funded with distributions from the fund without a  
22 requirement for a local match.

23 E. Earnings from investing the fund are subject to  
24 appropriation by the legislature to the department of  
25 transportation to be used for payment of project costs and for

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1 administrative costs associated with the fund, including  
2 payment for engineering costs.

3 F. As used in this section:

4 (1) "fund" means the local government  
5 transportation fund; and

6 (2) "local government" means a municipality  
7 acting within its planning and platting jurisdiction, a  
8 county or an Indian nation, tribe or pueblo."

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