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HOUSE BILL 603

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Roberto "Bobby" J. Gonzales

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO SCHOOL TRANSPORTATION; INCREASING TO TWELVE YEARS
THE PERIOD OF TIME A SCHOOL DISTRICT MAY PAY RENTAL FEES FOR
EACH SCHOOL BUS.

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

SECTION 1. Section 22-8-27 NMSA 1978 (being Laws 1967,
Chapter 16, Section 77, as amended) is amended to read:

"22-8-27. TRANSPORTATION EQUIPMENT.--

A. The department shall establish a systematic
program for the purchase of necessary school bus transportation
equipment.

B. In establishing a system for the replacement of
school-district-owned buses, the department shall provide for
the replacement of school buses on a twelve-year cycle. School
districts requiring additional buses to accommodate growth in

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1 the school district or to meet other special needs may petition
2 the department for additional buses. Under exceptional
3 circumstances, school districts may also petition the
4 department for permission to replace buses prior to the
5 completion of a twelve-year cycle or to use buses in excess of
6 twelve years contingent upon satisfactory annual safety
7 inspections.

8 C. In establishing a system for the use of
9 contractor-owned buses by school districts or state-chartered
10 charter schools, the department shall establish a schedule for
11 the payment of rental fees for the use of contractor-owned
12 buses. The department shall establish procedures to ensure the
13 systematic replacement of buses on a twelve-year replacement
14 cycle. School districts requiring additional buses to
15 accommodate growth in the school district or to meet other
16 special needs may petition the department for additional buses.
17 Under exceptional circumstances, school districts may also
18 petition the department for permission to replace buses prior
19 to the completion of a twelve-year cycle or to use buses in
20 excess of twelve years contingent upon satisfactory annual
21 safety inspections.

22 D. The school district shall file a lien on every
23 contractor-owned school bus under the contract on which the
24 contractor owes money, which lien shall have priority second
25 only to a lien securing the purchase-money obligation. The

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1 school district shall perfect its lien on each contractor-owned
2 school bus by filing the lien with the motor vehicle division
3 of the taxation and revenue department. The lien shall be
4 recorded on the title of the school bus. A school bus
5 contractor shall not refinance or use a school bus on which a
6 school district has a lien as collateral for any other loan
7 without prior written permission of the department. A school
8 bus lien shall be collected and enforced as provided in Chapter
9 55, Article 9 NMSA 1978. The school district shall release its
10 lien on a school bus:

11 (1) when the department authorizes a
12 replacement of the school bus; or

13 (2) when the contractor has reimbursed the
14 school district the amount calculated pursuant to Subsection E
15 of this section if the school bus service contract is
16 terminated or not renewed and the contractor owes the school
17 district as provided in that subsection.

18 E. No school district shall pay rental fees for any
19 one bus for a period in excess of [~~five~~] twelve years. In the
20 event a school bus service contract is terminated or not
21 renewed by either party, the department shall calculate the
22 remaining number of years that a bus could be used based on a
23 twelve-year replacement cycle and calculate a value reflecting
24 that use. The school district shall deduct an amount equal to
25 that value from any remaining amount due on the contract, or if

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1 no balance remains on the contract, the contractor shall
2 reimburse the school district an amount equal to the value
3 calculated.

4 F. If the school district fails to take action to
5 collect money owed to it when a school bus contract is
6 terminated or not renewed, the department may deduct the amount
7 from the school district's transportation distribution."

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