

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 241

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

AN ACT

RELATING TO RAILROAD SERVICE; CREATING THE SOUTHWEST CHIEF RAIL
SERVICE FUND; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS
FOR THE PURPOSES OF THE FUND; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the Severance Tax Bonding Act
is enacted to read:

"[NEW MATERIAL] SEVERANCE TAX BONDS--PURPOSE FOR WHICH
ISSUED--APPROPRIATION OF PROCEEDS.--The state board of finance
may issue and sell severance tax bonds in fiscal years 2016
through 2025 in compliance with the Severance Tax Bonding Act
in an amount not exceeding a total of forty million dollars
(\$40,000,000) when the department of transportation certifies
the need for the issuance of the bonds; provided that no more
than four million dollars (\$4,000,000) may be issued in any one

.196584.6

underscored material = new
[bracketed material] = delete

1 fiscal year. The proceeds from the sale of the bonds are
2 appropriated to the southwest chief rail service fund pursuant
3 to Section 2 of this 2014 act for the purposes of the fund.
4 The state board of finance shall schedule the issuance and sale
5 of the bonds in the most expeditious and economical manner
6 possible upon a finding by the board that the project has been
7 developed sufficiently to justify the issuance and that the
8 project can proceed to contract within a reasonable time.
9 Certification for bonds to be issued under this section is
10 contingent upon the secretary of transportation certifying that
11 the interstate compact or agreement and the service agreement
12 required pursuant to Section 2 of this 2014 act are in effect
13 and that the other parties to those agreements are meeting
14 their obligations. The state board of finance shall further
15 take the appropriate steps necessary to comply with the
16 Internal Revenue Code of 1986, as amended. Any unexpended or
17 unencumbered balance remaining in the severance tax bond
18 subaccount created pursuant to Subsection A of Section 2 of
19 this 2014 act at the end of fiscal year 2029 shall revert to
20 the severance tax bonding fund. If the department of
21 transportation has not certified the need for the issuance of
22 the bonds by the end of fiscal year 2025, the authorization
23 provided in this section shall expire."

24 SECTION 2. A new section of Chapter 67, Article 3 NMSA
25 1978 is enacted to read:

.196584.6

1 "[NEW MATERIAL] SOUTHWEST CHIEF RAIL SERVICE FUND--
2 CREATED.--

3 A. The "southwest chief rail service fund" is
4 created in the state treasury. The fund shall be administered
5 by the department and is appropriated to the department for the
6 purposes set out in this section. The fund shall consist of
7 funds from the proceeds of the sale of severance tax bonds
8 issued pursuant to Section 1 of this 2014 act and other funds
9 appropriated, donated or otherwise accruing to the fund,
10 including income from investment of the fund. The state
11 treasurer shall create a subaccount in the fund for proceeds
12 from the sale of severance tax bonds. Balances in the fund
13 from sources other than the proceeds from the sale of severance
14 tax bonds shall not revert to any other fund at the end of a
15 fiscal year. Balances in the severance tax bond subaccount
16 shall revert to the severance tax bonding fund at the end of
17 fiscal year 2029.

18 B. Money in the fund shall be used solely for
19 acquisition of rights of way or planning, design, engineering,
20 construction or improvement of the railroad track and
21 infrastructure within New Mexico used by the Amtrak southwest
22 chief train from the state line to Albuquerque as identified in
23 the southwest chief routing publication for route miles under
24 review; provided that no funds shall be expended from the fund
25 until the states of Colorado and Kansas establish similar funds

.196584.6

1 for the corresponding southwest chief railroad track within
2 their borders and the state has entered into a binding
3 agreement with Amtrak and the states of Colorado and Kansas to
4 maintain the southwest chief train service through fiscal year
5 2035. The department may begin negotiations for an interstate
6 compact or other agreement between New Mexico, Colorado and
7 Kansas pertaining to rail improvements from Albuquerque to
8 Hutchison, Kansas, as identified in the southwest chief routing
9 publication for route miles under review, the funding of those
10 improvements and a service agreement with Amtrak and the
11 Burlington northern Santa Fe railway. Any agreement is subject
12 to legislative approval."