

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

AN ACT

RELATING TO PUBLIC SCHOOL TRANSPORTATION; REQUIRING SCHOOL DISTRICT LIENS ON CONTRACTOR-OWNED SCHOOL BUSES UNDER CONTRACT TO THE SCHOOL DISTRICT.

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

C. In establishing a system for the use of contractor-owned buses by school districts or state-chartered

1 charter schools, the department shall establish a schedule  
2 for the payment of rental fees for the use of  
3 contractor-owned buses. The department shall establish  
4 procedures to ensure the systematic replacement of buses on a  
5 twelve-year replacement cycle. School districts requiring  
6 additional buses to accommodate growth in the school district  
7 or to meet other special needs may petition the department  
8 for additional buses. Under exceptional circumstances,  
9 school districts may also petition the department for  
10 permission to replace buses prior to the completion of a  
11 twelve-year cycle or to use buses in excess of twelve years  
12 contingent upon satisfactory annual safety inspections.

13 D. The school district shall file a lien on every  
14 contractor-owned school bus under the contract, which lien  
15 shall have priority second only to a lien securing a  
16 purchase-money obligation. The school district shall perfect  
17 its lien on each contractor-owned school bus by filing the  
18 lien with the motor vehicle division of the taxation and  
19 revenue department. The lien shall be recorded on the title  
20 of the school bus. A school bus contractor shall not  
21 refinance or use a school bus on which a school district has  
22 a lien as collateral for any other loan without prior written  
23 permission of the department. A school bus lien shall be  
24 collected and enforced as provided in Chapter 55, Article 9  
25 NMSA 1978. The school district shall release its lien on a

1 school bus:

2 (1) when the department authorizes a  
3 replacement of the school bus; or

4 (2) when the contractor has reimbursed the  
5 school district the amount calculated pursuant to Subsection  
6 E of this section if the school bus service contract is  
7 terminated or not renewed and the contractor owes the school  
8 district as provided in that subsection.

9 E. No school district shall pay rental fees for  
10 any one bus for a period in excess of five years. In the  
11 event a school bus service contract is terminated or not  
12 renewed by either party, the department shall calculate the  
13 remaining number of years that a bus could be used based on a  
14 twelve-year replacement cycle and calculate a value  
15 reflecting that use. The school district shall deduct an  
16 amount equal to that value from any remaining amount due on  
17 the contract, or if no balance remains on the contract, the  
18 contractor shall reimburse the school district an amount  
19 equal to the value calculated.

20 F. If the school district fails to take action to  
21 collect money owed to it when a school bus contract is  
22 terminated or not renewed, the department may deduct the  
23 amount from the school district's transportation  
24 distribution."

25 SECTION 2. EFFECTIVE DATE.--The effective date of the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

provisions of this act is July 1, 2015. \_\_\_\_\_