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HOUSE BILL 47

**53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

INTRODUCED BY

Dennis J. Roch

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO PUBLIC SCHOOLS; AMENDING THE PUBLIC SCHOOL CODE TO  
EXTEND THE SCHOOL BUS REPLACEMENT CYCLE FROM TWELVE TO FIFTEEN  
YEARS.

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~~ fifteen-year  
cycle. School districts requiring additional buses to

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1 accommodate growth in the school district or to meet other  
2 special needs may petition the department for additional buses.  
3 Under exceptional circumstances, school districts may also  
4 petition the department for permission to replace buses prior  
5 to the completion of a [~~twelve-year~~] fifteen-year cycle or to  
6 use buses in excess of [~~twelve~~] fifteen years contingent upon  
7 satisfactory annual safety 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~~] fifteen-year  
14 replacement cycle. School districts requiring additional buses  
15 to 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~~] fifteen-year cycle or to  
20 use buses in excess of [~~twelve~~] fifteen years contingent upon  
21 satisfactory annual safety inspections.

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

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

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

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

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

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1 contractor shall reimburse the school district an amount equal  
2 to the value calculated.

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

7 SECTION 2. EFFECTIVE DATE.--The effective date of the  
8 provisions of this act is July 1, 2017.