

1 HOUSE BILL 262

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 Patricia A. Lundstrom

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6  
7  
8 FOR THE LEGISLATIVE FINANCE COMMITTEE

9  
10 AN ACT

11 RELATING TO CAPITAL EXPENDITURES; PROVIDING ADDITIONAL REVENUE  
12 FOR THE STATE ROAD FUND AND THE LOCAL GOVERNMENTS ROAD FUND BY  
13 INCREASING THE GASOLINE TAX AND THE SPECIAL FUEL EXCISE TAX  
14 BEGINNING IN FISCAL YEAR 2016 AND THE MOTOR VEHICLE EXCISE TAX  
15 BEGINNING IN FISCAL YEAR 2019; INDEXING THE GASOLINE TAX AND  
16 SPECIAL FUEL EXCISE TAX TO INFLATION BEGINNING IN FISCAL YEAR  
17 2017; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX AND  
18 SUPPLEMENTAL SEVERANCE TAX BONDS IN CERTAIN FISCAL YEARS FOR  
19 TRANSPORTATION PROJECTS; REDUCING SUPPLEMENTAL SEVERANCE TAX  
20 BONDING CAPACITY FOR FISCAL YEAR 2021 AND SUBSEQUENT FISCAL  
21 YEARS; ADJUSTING THE MANNER IN WHICH THE CAPACITY FOR ISSUANCE  
22 OF SEVERANCE TAX AND SUPPLEMENTAL SEVERANCE TAX BONDS IS  
23 CALCULATED; REPEALING LAWS 2001, CHAPTER 37, SECTION 1; MAKING  
24 APPROPRIATIONS.

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

2 SECTION 1. Section 7-1-6.7 NMSA 1978 (being Laws 1994,  
3 Chapter 5, Section 2, as amended) is amended to read:

4 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND.--

5 A. A distribution pursuant to Section 7-1-6.1 NMSA  
6 1978 shall be made to the state aviation fund in an amount  
7 equal to four and seventy-nine hundredths percent of the  
8 taxable gross receipts attributable to the sale of fuel  
9 specially prepared and sold for use in turboprop or jet-type  
10 engines as determined by the department.

11 B. A distribution pursuant to Section 7-1-6.1 NMSA  
12 1978 shall be made to the state aviation fund in an amount  
13 equal to [~~twenty-six hundredths percent of gasoline taxes,~~  
14 ~~exclusive of penalties and interest, collected~~] the following  
15 percentages of the net receipts attributable to the taxes  
16 imposed pursuant to the Gasoline Tax Act:

17 (1) prior to July 1, 2015, twenty-six  
18 hundredths percent; and

19 (2) on and after July 1, 2015, twenty-three  
20 hundredths percent.

21 C. From July 1, 2013 through June 30, 2018, a  
22 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
23 made to the state aviation fund in an amount equal to  
24 forty-six thousandths percent of the net receipts attributable  
25 to the gross receipts tax distributable to the general fund.

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1 D. A distribution pursuant to Section 7-1-6.1 NMSA  
2 1978 shall be made to the state aviation fund from the net  
3 receipts attributable to the gross receipts tax distributable  
4 to the general fund in an amount equal to

5 [~~(1) eighty thousand dollars (\$80,000) monthly~~  
6 ~~from July 1, 2007 through June 30, 2008;~~

7 ~~(2) one hundred sixty-seven thousand dollars~~  
8 ~~(\$167,000) monthly from July 1, 2008 through June 30, 2009; and~~

9 ~~(3)] two hundred fifty thousand dollars~~  
10 ~~(\$250,000) [monthly after July 1, 2009]."~~

11 SECTION 2. Section 7-1-6.8 NMSA 1978 (being Laws 1983,  
12 Chapter 211, Section 13, as amended) is amended to read:

13 "7-1-6.8. DISTRIBUTION--MOTORBOAT FUEL TAX FUND.--A  
14 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
15 made to the motorboat fuel tax fund in [~~an amount equal to~~  
16 ~~thirteen-hundredths of one percent]~~ the following percentages  
17 of the net receipts attributable to the gasoline tax:

18 A. prior to July 1, 2015, thirteen-hundredths  
19 percent; and

20 B. on and after July 1, 2015, twelve-hundredths  
21 percent."

22 SECTION 3. Section 7-1-6.9 NMSA 1978 (being Laws 1991,  
23 Chapter 9, Section 11, as amended) is amended to read:

24 "7-1-6.9. DISTRIBUTION OF GASOLINE TAXES TO  
25 MUNICIPALITIES AND COUNTIES.--

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1           A. A distribution pursuant to Section 7-1-6.1 NMSA  
2 1978 shall be made in [~~an amount equal to ten and thirty-eight~~  
3 ~~hundredths percent~~] the following percentages of the net  
4 receipts attributable to the taxes [~~exclusive of penalties and~~  
5 ~~interest~~] imposed by the Gasoline Tax Act:

6                   (1) prior to July 1, 2015, ten and thirty-  
7 eight hundredths percent; and

8                   (2) on and after July 1, 2015, nine and  
9 twenty-nine hundredths percent.

10           B. [~~Except as provided in Subsection D of this~~  
11 ~~section~~] The amount determined in Subsection A of this section  
12 shall be distributed as follows:

13                   (1) ninety percent of the amount shall be paid  
14 to the treasurers of municipalities and H class counties in the  
15 proportion that the taxable motor fuel sales in each of the  
16 municipalities and H class counties bears to the aggregate  
17 taxable motor fuel sales in all of these municipalities and H  
18 class counties; and

19                   (2) ten percent of the amount shall be paid to  
20 the treasurers of the counties, including H class counties, in  
21 the proportion that the taxable motor fuel sales outside of  
22 incorporated municipalities in each of the counties bears to  
23 the aggregate taxable motor fuel sales outside of incorporated  
24 municipalities in all of the counties.

25           C. Except as provided in Subsection D of this

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1 section, this distribution shall be paid into a separate road  
2 fund in the municipal treasury or county road fund for  
3 expenditure only for construction, reconstruction, resurfacing  
4 or other improvement or maintenance of public roads, streets,  
5 alleys or bridges, including right-of-way and materials  
6 acquisition. Money distributed pursuant to this section may be  
7 used by a municipality or county to provide matching funds for  
8 projects subject to cooperative agreements entered into with  
9 the [~~state highway and~~] department of transportation  
10 [~~department~~] pursuant to Section 67-3-28 NMSA 1978. Any  
11 municipality or H class county that has created or that creates  
12 a "street improvement fund" to which gasoline tax revenues or  
13 distributions are irrevocably pledged under Sections 3-34-1  
14 through 3-34-4 NMSA 1978 or that has pledged all or a portion  
15 of gasoline tax revenues or distributions to the payment of  
16 bonds shall receive its proportion of the distribution of  
17 revenues under this section impressed with and subject to these  
18 pledges.

19 D. This distribution may be paid into a separate  
20 road fund or the general fund of the municipality or county if  
21 the municipality has a population less than three thousand or  
22 the county has a population less than four thousand."

23 SECTION 4. Section 7-1-6.10 NMSA 1978 (being Laws 1983,  
24 Chapter 211, Section 15, as amended) is amended to read:

25 "7-1-6.10. DISTRIBUTIONS--STATE ROAD FUND.--

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1           A. A distribution pursuant to Section 7-1-6.1 NMSA  
2 1978 shall be made to the state road fund in an amount equal to  
3 the net receipts attributable to the taxes, surcharges,  
4 penalties and interest imposed pursuant to the Gasoline Tax Act  
5 and to the taxes, surtaxes, fees, penalties and interest  
6 imposed pursuant to the Special Fuels Supplier Tax Act and the  
7 Alternative Fuel Tax Act less:

8                   (1) the amount distributed to the state  
9 aviation fund pursuant to Subsection B of Section 7-1-6.7 NMSA  
10 1978;

11                   (2) the amount distributed to the motorboat  
12 fuel tax fund pursuant to Section 7-1-6.8 NMSA 1978;

13                   (3) the amount distributed to municipalities  
14 and counties pursuant to Subsection A of Section 7-1-6.9 NMSA  
15 1978;

16                   (4) the amount distributed to the county  
17 government road fund pursuant to Section 7-1-6.19 NMSA 1978;

18                   (5) the amount distributed to the local  
19 governments road fund pursuant to Section 7-1-6.39 NMSA 1978;

20                   (6) the amount distributed to the  
21 municipalities pursuant to Section 7-1-6.27 NMSA 1978;

22                   (7) the amount distributed to the municipal  
23 arterial program of the local governments road fund pursuant to  
24 Section 7-1-6.28 NMSA 1978;

25                   (8) the amount distributed to a qualified

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1     tribe pursuant to [~~a gasoline tax sharing agreement entered~~  
2     ~~into between the secretary of transportation and the qualified~~  
3     ~~tribe pursuant to the provisions of]~~ Section [67-3-8.1]  
4     7-1-6.44 NMSA 1978; and

5                     (9) the amount distributed to the general fund  
6     pursuant to Section 7-1-6.44 NMSA 1978.

7                     B. A distribution pursuant to Section 7-1-6.1 NMSA  
8     1978 shall be made to the state road fund in an amount equal to  
9     the net receipts attributable to the taxes, interest and  
10    penalties from the Weight Distance Tax Act."

11                    SECTION 5. Section 7-1-6.19 NMSA 1978 (being Laws 1991,  
12    Chapter 9, Section 15, as amended) is amended to read:

13                    "7-1-6.19. DISTRIBUTION--COUNTY GOVERNMENT ROAD FUND  
14    CREATED.--

15                    A. There is created in the state treasury the  
16    "county government road fund".

17                    B. A distribution pursuant to Section 7-1-6.1 NMSA  
18    1978 shall be made to the county government road fund in [~~an~~  
19    ~~amount equal to five and seventy-six hundredths percent]~~ the  
20    following percentages of the net receipts attributable to the  
21    gasoline tax:

22                    (1) prior to July 1, 2015, five and seventy-  
23    six hundredths percent; and

24                    (2) on and after July 1, 2015, five and  
25    fifteen-hundredths percent."

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1 SECTION 6. Section 7-1-6.27 NMSA 1978 (being Laws 1991,  
2 Chapter 9, Section 20, as amended) is amended to read:

3 "7-1-6.27. DISTRIBUTION--MUNICIPAL ROADS.--

4 A. A distribution pursuant to Section 7-1-6.1 NMSA  
5 1978 shall be made to municipalities for the purposes and  
6 amounts specified in this section in an aggregate amount equal  
7 to [~~five and seventy-six hundredths percent~~] the following  
8 percentages of the net receipts attributable to the gasoline  
9 tax:

10 (1) prior to July 1, 2015, five and seventy-  
11 six hundredths percent; and

12 (2) on and after July 1, 2015, five and  
13 fifteen-hundredths percent.

14 B. The distribution authorized in this section  
15 shall be used for the following purposes:

16 (1) reconstructing, resurfacing, maintaining,  
17 repairing or otherwise improving existing alleys, streets,  
18 roads or bridges, or any combination of the foregoing; or  
19 laying off, opening, constructing or otherwise acquiring new  
20 alleys, streets, roads or bridges, or any combination of the  
21 foregoing; provided that any of the foregoing improvements may  
22 include, but are not limited to, the acquisition of rights of  
23 way;

24 (2) to provide matching funds for projects  
25 subject to cooperative agreements with the [~~state highway and~~]

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1 department of transportation [~~department~~] pursuant to Section  
2 67-3-28 NMSA 1978; and

3 (3) for expenses of purchasing, maintaining  
4 and operating transit operations and facilities, for the  
5 operation of a transit authority established by the Municipal  
6 Transit Law and for the operation of a vehicle emission  
7 inspection program. A municipality may engage in the business  
8 of the transportation of passengers and property within the  
9 political subdivision by whatever means the municipality may  
10 decide and may acquire cars, trucks, motor buses and other  
11 equipment necessary for operating the business. A municipality  
12 may acquire land, erect buildings and equip the buildings with  
13 all the necessary machinery and facilities for the operation,  
14 maintenance, modification, repair and storage of the cars,  
15 trucks, motor buses and other equipment needed. A municipality  
16 may do all things necessary for the acquisition and the conduct  
17 of the business of public transportation.

18 C. For the purposes of this section:

19 (1) "computed distribution amount" means the  
20 distribution amount calculated for a municipality for a month  
21 pursuant to Paragraph (2) of Subsection D of this section prior  
22 to any adjustments to the amount due to the provisions of  
23 Subsections E and F of this section;

24 (2) "floor amount" means four hundred  
25 seventeen dollars (\$417);

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1                   (3) "floor municipality" means a municipality  
2 whose computed distribution amount is less than the floor  
3 amount; and

4                   (4) "full distribution municipality" means a  
5 municipality whose population at the last federal decennial  
6 census was at least two hundred thousand.

7                   D. Subject to the provisions of Subsections E and F  
8 of this section, each municipality shall be distributed a  
9 portion of the aggregate amount distributable under this  
10 section in an amount equal to the greater of:

11                   (1) the floor amount; or

12                   (2) eighty-five percent of the aggregate  
13 amount distributable under this section times a fraction, the  
14 numerator of which is the municipality's reported taxable  
15 gallons of gasoline for the immediately preceding state fiscal  
16 year and the denominator of which is the reported total taxable  
17 gallons for all municipalities for the same period.

18                   E. Fifteen percent of the aggregate amount  
19 distributable under this section shall be referred to as the  
20 "redistribution amount". Beginning in August 1990, and each  
21 month thereafter, from the redistribution amount there shall be  
22 taken an amount sufficient to increase the computed  
23 distribution amount of every floor municipality to the floor  
24 amount. In the event that the redistribution amount is  
25 insufficient for this purpose, the computed distribution amount

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1 for each floor municipality shall be increased by an amount  
2 equal to the redistribution amount times a fraction, the  
3 numerator of which is the difference between the floor amount  
4 and the municipality's computed distribution amount and the  
5 denominator of which is the difference between the product of  
6 the floor amount multiplied by the number of floor  
7 municipalities and the total of the computed distribution  
8 amounts for all floor municipalities.

9 F. If a balance remains after the redistribution  
10 amount has been reduced pursuant to Subsection E of this  
11 section, there shall be added to the computed distribution  
12 amount of each municipality that is neither a full distribution  
13 municipality nor a floor municipality an amount that equals the  
14 balance of the redistribution amount times a fraction, the  
15 numerator of which is the computed distribution amount of the  
16 municipality and the denominator of which is the sum of the  
17 computed distribution amounts of all municipalities that are  
18 neither full distribution municipalities nor floor  
19 municipalities."

20 SECTION 7. Section 7-1-6.28 NMSA 1978 (being Laws 1991,  
21 Chapter 9, Section 22, as amended) is amended to read:

22 "7-1-6.28. DISTRIBUTION--MUNICIPAL ARTERIAL PROGRAM OF  
23 LOCAL GOVERNMENTS ROAD FUND.--A distribution pursuant to  
24 Section 7-1-6.1 NMSA 1978 shall be made to the municipal  
25 arterial program of the local governments road fund created in

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1 Section 67-3-28.2 NMSA 1978 in an amount equal to [~~one and~~  
2 ~~forty-four hundredths percent~~] the following percentages of the  
3 net receipts attributable to the gasoline tax:

4 A. prior to July 1, 2015, one and forty-four  
5 hundredths percent; and

6 B. on and after July 1, 2015, one and twenty-nine  
7 hundredths percent."

8 SECTION 8. Section 7-1-6.39 NMSA 1978 (being Laws 1995,  
9 Chapter 6, Section 9, as amended) is amended to read:

10 "7-1-6.39. DISTRIBUTION OF SPECIAL FUEL EXCISE TAX AND  
11 GASOLINE TAX TO LOCAL GOVERNMENTS ROAD FUND.--

12 A. A distribution pursuant to Section 7-1-6.1 NMSA  
13 1978 shall be made to the local governments road fund in [~~an~~  
14 ~~amount equal to nine and fifty-two hundredths percent~~] the  
15 following percentages of the net receipts attributable to the  
16 [~~taxes, exclusive of penalties and interest, from the~~] special  
17 fuel excise tax [~~imposed by the Special Fuels Supplier Tax~~  
18 ~~Act~~]:

19 (1) prior to July 1, 2015, nine and fifty-two  
20 hundredths percent; and

21 (2) on and after July 1, 2015, seventeen and  
22 thirty-nine hundredths percent.

23 B. On and after July 1, 2015, a distribution  
24 pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the  
25 local governments road fund in an amount equal to ten and

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1 fifty-three hundredths percent of the net receipts attributable  
2 to the gasoline tax."

3 SECTION 9. Section 7-1-6.44 NMSA 1978 (being Laws 2003,  
4 Chapter 150, Section 2, as amended) is amended to read:

5 "7-1-6.44. DISTRIBUTION--GASOLINE TAX SHARING  
6 AGREEMENT.--

7 A. A distribution pursuant to Section 7-1-6.1  
8 NMSA 1978 shall be made by the department to each qualified  
9 tribe [~~in an amount equal to forty percent of the net~~  
10 ~~receipts attributable to the gasoline tax paid to the~~  
11 ~~department on two million five hundred thousand gallons of~~  
12 ~~gasoline each month. The distribution to each qualified~~  
13 ~~tribe shall be made]~~ pursuant to a gasoline tax sharing  
14 agreement entered into by the department of transportation  
15 and the qualified tribe according to the provisions of  
16 Section 67-3-8.1 NMSA 1978.

17 B. From the balance remaining each month [~~from~~  
18 ~~the gasoline tax revenue on two million five hundred thousand~~  
19 ~~gallons of gasoline per qualified tribe]~~ after distributions  
20 made pursuant to Subsection A of this section, a distribution  
21 of thirty-three thousand three hundred thirty-three dollars  
22 (\$33,333) shall be made to the general fund.

23 C. The balance remaining after the distributions  
24 [~~from gasoline tax revenue from two million five hundred~~  
25 ~~thousand gallons of gasoline per qualified tribe]~~ pursuant to

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1 Subsections A and B of this section shall be distributed  
2 pursuant to Section 7-1-6.10 NMSA 1978.

3 D. As used in this section, "qualified tribe"  
4 means the Pueblo of Nambe or the Pueblo of Santo Domingo, as  
5 long as it owns one hundred percent of a registered Indian  
6 tribal distributor pursuant to the Gasoline Tax Act, that  
7 qualifies for a deduction pursuant to Subsection F of Section  
8 7-13-4 NMSA 1978 and has entered into a gasoline tax sharing  
9 agreement pursuant to Section 67-3-8.1 NMSA 1978."

10 SECTION 10. Section 7-13-3 NMSA 1978 (being Laws 1971,  
11 Chapter 207, Section 3, as amended) is amended to read:

12 "7-13-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
13 "GASOLINE TAX".--

14 A. For the privilege of receiving gasoline in  
15 this state, there is imposed an excise tax at a rate provided  
16 in Subsection B of this section on each gallon of gasoline  
17 received in New Mexico.

18 ~~[B. The tax imposed by Subsection A of this~~  
19 ~~section shall be seventeen cents (\$.17) per gallon received~~  
20 ~~in New Mexico.~~

21 ~~6.]~~ The tax imposed by this section may be called  
22 the "gasoline tax".

23 B. The rate of the gasoline tax shall be:

24 (1) prior to July 1, 2015, seventeen cents  
25  (\$.17) per gallon received in New Mexico;

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1                   (2) beginning July 1, 2015 and prior to July  
2 1, 2016, nineteen cents (\$.19) per gallon received in New  
3 Mexico; and

4                   (3) on and after July 1, 2016, the rate  
5 determined pursuant to Subsection C of this section.

6                   C. No later than April 30, 2016 and April 30 of  
7 each subsequent year, the department shall calculate the rate  
8 of gasoline tax to be imposed as of July 1 of that year. The  
9 rate of the gasoline tax per gallon shall be equal to the  
10 product, rounded down to the nearest whole cent, of nineteen  
11 cents (\$.19) multiplied by a fraction with a numerator equal  
12 to the chained price index for the previous calendar year and  
13 a denominator equal to the chained price index for calendar  
14 year 2014; provided that the rate of the tax shall not be  
15 less than the rate imposed on July 1 of the previous year.  
16 As used in this subsection, "chained price index" means the  
17 chained price index for nonresidential construction in the  
18 consumer price index."

19                   SECTION 11. Section 7-14-4 NMSA 1978 (being Laws 1988,  
20 Chapter 73, Section 14) is amended to read:

21                   "7-14-4. DETERMINATION OF AMOUNT OF MOTOR VEHICLE  
22 EXCISE TAX.--

23                   A. The rate of the motor vehicle excise tax is  
24 [~~three percent~~] as follows and is applied to the price paid  
25 for the vehicle:

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- 1                   (1) prior to July 1, 2018, three percent;  
2     and  
3                   (2) on and after July 1, 2018, four percent.

4                   B. If the price paid does not represent the value  
5 of the vehicle in the condition that existed at the time it  
6 was acquired, the tax rate shall be applied to the reasonable  
7 value of the vehicle in such condition at such time.  
8 However, allowances granted for vehicle trade-ins may be  
9 deducted from the price paid or the reasonable value of the  
10 vehicle purchased."

11                   SECTION 12. Section 7-14-10 NMSA 1978 (being Laws  
12 1988, Chapter 73, Section 20, as amended) is amended to read:

13                   "7-14-10. DISTRIBUTION OF PROCEEDS.--

14                   A. The receipts from the tax and any associated  
15 interest and penalties shall be deposited in the "motor  
16 vehicle suspense fund", hereby created in the state treasury.

17                   B. Prior to July 1, 2018, as of the end of each  
18 month, the net receipts attributable to the tax and  
19 associated penalties and interest shall be distributed to the  
20 general fund.

21                   C. On and after July 1, 2018, as of the end of  
22 each month, the net receipts attributable to:

- 23                   (1) seventy-five percent of the tax and  
24 associated penalties and interest shall be distributed to the  
25 general fund; and

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1                   (2) twenty-five percent of the tax and  
2 associated penalties and interest shall be distributed to the  
3 state road fund."

4           SECTION 13. Section 7-16A-3 NMSA 1978 (being Laws  
5 1992, Chapter 51, Section 3, as amended) is amended to read:

6           "7-16A-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
7 SPECIAL FUEL EXCISE TAX.--

8           A. For the privilege of receiving or using  
9 special fuel in this state, there is imposed an excise tax at  
10 a rate provided in Subsection B of this section on each  
11 gallon of special fuel received in New Mexico.

12           ~~[B. The tax imposed by Subsection A of this~~  
13 ~~section shall be twenty-one cents (\$.21) per gallon of~~  
14 ~~special fuel received or used in New Mexico.~~

15           G.] The tax imposed by this section may be called  
16 the "special fuel excise tax".

17           B. The rate of the special fuel excise tax shall  
18 be:

19                   (1) prior to July 1, 2015, twenty-one cents  
20 (\$.21) per gallon of special fuel received or used in New  
21 Mexico;

22                   (2) beginning July 1, 2015 and prior to July  
23 1, 2016, twenty-three cents (\$.23) per gallon of special fuel  
24 received or used in New Mexico; and

25                   (3) on and after July 1, 2016, the rate

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1 determined pursuant to Subsection C of this section.

2 C. No later than April 30, 2016 and April 30 of  
3 each subsequent year, the department shall calculate the rate  
4 of special fuel excise tax to be imposed as of July 1 of that  
5 year. The rate of the special fuel excise tax per gallon  
6 shall be equal to the product, rounded down to the nearest  
7 whole cent, of twenty-three cents (\$.23) multiplied by a  
8 fraction with a numerator equal to the chained price index  
9 for the previous calendar year and a denominator equal to the  
10 chained price index for calendar year 2014; provided that the  
11 rate of the tax shall not be less than the rate imposed on  
12 July 1 of the previous year. As used in this subsection,  
13 "chained price index" means the chained price index for  
14 nonresidential construction in the consumer price index."

15 SECTION 14. Section 7-27-12 NMSA 1978 (being Laws  
16 1961, Chapter 5, Section 10, as amended by Laws 2001, Chapter  
17 37, Section 1 and by Laws 2001, Chapter 338, Section 1) is  
18 amended to read:

19 "7-27-12. WHEN SEVERANCE TAX BONDS TO BE ISSUED.--

20 A. The state board of finance shall issue and  
21 sell all severance tax bonds when authorized to do so by any  
22 law that sets out the amount of the issue and the recipient  
23 of the money.

24 B. The state board of finance shall also issue  
25 and sell severance tax bonds authorized by Sections 72-14-36

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1 through 72-14-42 NMSA 1978, and such authority as has been  
2 given to the interstate stream commission to issue and sell  
3 such bonds is transferred to the state board of finance. The  
4 state board of finance shall issue and sell all severance tax  
5 bonds only when so instructed by resolution of the governing  
6 body or by written direction from an authorized officer of  
7 the recipient of the bond money.

8 C. Except as provided in Subsection D of this  
9 section, proceeds from supplemental severance tax bonds shall  
10 be used only for public school capital outlay projects  
11 pursuant to the Public School Capital Outlay Act or the  
12 Public School Capital Improvements Act.

13 D. Proceeds from supplemental severance tax bonds  
14 issued pursuant to:

15 (1) Paragraph (2) of Subsection A of Section  
16 19 of Chapter 6 of Laws 1999 (1st S.S.) shall be used for the  
17 purposes specified in that paragraph; and

18 (2) Section 18 of this 2015 act shall be  
19 used for the purposes specified in that section.

20 E. Except as provided in Subsection F of this  
21 section, the state board of finance shall issue and sell all  
22 supplemental severance tax bonds when so instructed by  
23 resolution of the public school capital outlay council  
24 pursuant to Section 7-27-12.2 NMSA 1978.

25 F. The state board of finance shall issue and

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1 sell supplemental severance tax bonds authorized by:

2 (1) Paragraph (2) of Subsection A of Section  
3 19 of Chapter 6 of Laws 1999 (1st S.S.) when so instructed by  
4 resolution of the [~~commission on~~] higher education  
5 department; and

6 (2) Section 18 of this 2015 act when  
7 certified by the department of transportation."

8 SECTION 15. Section 7-27-12.2 NMSA 1978 (being Laws  
9 2001, Chapter 338, Section 2, as amended) is amended to read:

10 "7-27-12.2. SUPPLEMENTAL SEVERANCE TAX BONDS--PUBLIC  
11 SCHOOL CAPITAL OUTLAY PROJECTS.--

12 A. The public school capital outlay council is  
13 authorized to certify by resolution that proceeds of  
14 supplemental severance tax bonds are needed for expenditures  
15 relating to public school capital outlay projects pursuant to  
16 the Public School Capital Outlay Act or for the state  
17 distribution for public school capital improvements pursuant  
18 to the Public School Capital Improvements Act. The  
19 resolution shall specify the total amount needed.

20 B. The state board of finance may issue and sell  
21 supplemental severance tax bonds in compliance with the  
22 Severance Tax Bonding Act when the public school capital  
23 outlay council certifies by resolution the need for the  
24 issuance of the bonds. The amount of the supplemental  
25 severance tax bonds sold pursuant to this section at each

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1 sale shall not exceed the lesser of the amount certified by  
2 the council or:

3 (1) for fiscal years 2016 through 2020,  
4 eighty-eight and nine-tenths percent of the amount that may  
5 be issued pursuant to the restrictions of Section 7-27-14  
6 NMSA 1978; or

7 (2) for fiscal year 2021 and subsequent  
8 fiscal years, one hundred percent of the amount of  
9 supplemental severance tax bonds that may be issued pursuant  
10 to the restrictions of Section 7-27-14 NMSA 1978.

11 C. The state board of finance shall schedule the  
12 issuance and sale of the bonds in the most expeditious and  
13 economical manner possible.

14 D. The proceeds from the sale of the bonds are  
15 appropriated as follows:

16 (1) the amount certified by the secretary of  
17 public education as necessary to make the distribution  
18 pursuant to Section 22-25-9 NMSA 1978 is appropriated to the  
19 public school capital improvements fund for the purpose of  
20 carrying out the provisions of the Public School Capital  
21 Improvements Act; and

22 (2) the remainder of the proceeds is  
23 appropriated to the public school capital outlay fund for the  
24 purpose of carrying out the provisions of the Public School  
25 Capital Outlay Act."

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1           SECTION 16. Section 7-27-14 NMSA 1978 (being Laws  
2 1961, Chapter 5, Section 11, as amended) is amended to read:

3           "7-27-14. AMOUNT OF TAX--SECURITY FOR BONDS.--

4           A. The legislature shall provide for the  
5 continued assessment, levy, collection and deposit into the  
6 severance tax bonding fund of the tax or taxes upon natural  
7 resource products severed and saved from the soil of the  
8 state that, together with such other income as may be  
9 deposited to the fund, will be sufficient to produce an  
10 amount that is at least the amount necessary to meet annual  
11 debt service charges on all outstanding severance tax bonds  
12 and supplemental severance tax bonds.

13           B. Except as otherwise specifically provided by  
14 law, the state board of finance shall issue no severance tax  
15 bonds unless the aggregate amount of severance tax bonds  
16 outstanding, and including the issue proposed, can be  
17 serviced with not more than fifty percent of the annual  
18 deposits into the severance tax bonding fund, as determined  
19 by the lesser of the deposits during the preceding fiscal  
20 year or the deposits during the current fiscal year as  
21 estimated by the division.

22           C. The state board of finance shall issue no  
23 supplemental severance tax bonds with a term that extends  
24 beyond the fiscal year in which the bonds are issued unless  
25 the aggregate amount of severance tax bonds and supplemental

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1 severance tax bonds outstanding, and including the issue  
2 proposed, can be serviced with not more than sixty-two and  
3 one-half percent of the annual deposits into the severance  
4 tax bonding fund, as determined by the lesser of the deposits  
5 during the preceding fiscal year or the deposits during the  
6 current fiscal year as estimated by the division.

7 D. Except as otherwise specifically provided by  
8 law, the state board of finance may issue supplemental  
9 severance tax bonds with a term that does not extend beyond  
10 the fiscal year in which they are issued if the debt service  
11 on such supplemental severance tax bonds when added to the  
12 debt service previously paid or scheduled to be paid during  
13 that fiscal year on severance tax bonds and supplemental  
14 severance tax bonds does not exceed [~~ninety-five percent~~] the  
15 following percentages of the lesser of the deposits into the  
16 severance tax bonding fund during the preceding fiscal year  
17 or the deposits into the severance tax bonding fund during  
18 the current fiscal year as estimated by the division:

19 (1) for fiscal years 2016 through 2020,  
20 ninety-five percent; and

21 (2) for fiscal year 2021 and subsequent  
22 fiscal years, ninety percent.

23 E. The provisions of this section shall not be  
24 modified by the terms of any severance tax bonds or  
25 supplemental severance tax bonds hereafter issued.

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1                   F. For the purposes of this section, "division"  
2 means the board of finance division of the department of  
3 finance and administration."

4                   SECTION 17. A new section of the Severance Tax Bonding  
5 Act is enacted to read:

6                   "[NEW MATERIAL] SEVERANCE TAX BONDS--TRANSPORTATION  
7 PROJECTS--APPROPRIATION OF PROCEEDS.--

8                   A. For fiscal years 2015 through 2019, the  
9 department of transportation is authorized to certify that  
10 proceeds of severance tax bonds are needed for expenditures  
11 relating to transportation projects identified pursuant to  
12 this section. The certification shall specify the total  
13 amount needed.

14                   B. In fiscal years 2015 through 2019, the state  
15 board of finance may issue and sell severance tax bonds, in  
16 compliance with the Severance Tax Bonding Act, in an amount  
17 not to exceed the lesser of ten percent of severance tax  
18 bonding capacity for each of those fiscal years, as  
19 determined pursuant to Section 7-27-10.1 NMSA 1978, or an  
20 aggregate principal amount of five hundred eighty-five  
21 million five hundred thousand dollars (\$585,500,000), when  
22 the department of transportation certifies the need for the  
23 issuance of the bonds.

24                   C. The state board of finance shall schedule the  
25 issuance and sale of the severance tax bonds as expeditiously

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1 and economically as possible upon a finding by the board  
2 that, based upon a certification from the department of  
3 transportation, the proceeds of the bonds are needed for  
4 projects identified pursuant to Subsection D of this section,  
5 that each project identified has been developed sufficiently  
6 to justify the issuance of the bonds and that a contract for  
7 the project can proceed within a reasonable time. The state  
8 board of finance shall further take the appropriate steps  
9 necessary to comply with the federal Internal Revenue Code of  
10 1986, as amended. The state board of finance may issue and  
11 sell the bonds in the same manner as other severance tax  
12 bonds in an amount not to exceed the authorized amount  
13 provided for in Subsection B of this section.

14 D. The proceeds from the sale of severance tax  
15 bonds pursuant to this section are appropriated to the  
16 department of transportation in an amount not to exceed the  
17 following aggregate amounts for the following transportation  
18 projects:

19 (1) forty million dollars (\$40,000,000) for  
20 the planning, design, reconstruction and improvement of New  
21 Mexico highway 136, between the Santa Teresa port of entry  
22 and McNutt road in Santa Teresa;

23 (2) thirty-five million dollars  
24 (\$35,000,000) for the planning, design, reconstruction and  
25 improvement of New Mexico highway 1 from Mitchell Point to

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1 San Antonio;

2 (3) forty million dollars (\$40,000,000) for  
3 the planning, design, construction and improvement of  
4 interstate 25 from mile post 0 to mile post 6;

5 (4) thirty million dollars (\$30,000,000) for  
6 the planning, design, construction and improvement of United  
7 States highway 70 from mile post 148.8 to mile post 150.1;

8 (5) ninety million dollars (\$90,000,000) for  
9 the planning, design, reconstruction and improvement of  
10 United States highway 82 from Artesia to Lovington;

11 (6) forty-one million five hundred thousand  
12 dollars (\$41,500,000) for the planning, design,  
13 reconstruction and improvement of New Mexico highway 529 from  
14 mile post 0 to mile post 22;

15 (7) twenty-two million dollars (\$22,000,000)  
16 for the planning, design, reconstruction and improvement of  
17 United States highway 285 from the Texas state line to  
18 Loving;

19 (8) twenty-one million dollars (\$21,000,000)  
20 for the planning, design, reconstruction and improvement of  
21 United States highway 54 from mile post 119 to mile post 130;

22 (9) thirty million dollars (\$30,000,000) for  
23 the planning, design, reconstruction and improvement of  
24 United States highway 54 from mile post 146 to mile post 163;

25 (10) thirty-seven million dollars

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1 (\$37,000,000) for the planning, design, reconstruction and  
2 improvement of the interstate 25 and Rio Bravo boulevard  
3 interchange in Albuquerque;

4 (11) twenty-five million dollars  
5 (\$25,000,000) for the planning, design, reconstruction and  
6 improvement of interstate 25 in Albuquerque, between the  
7 interstate 25 and Rio Bravo boulevard interchange and the  
8 interstate 25 and Isleta boulevard interchange;

9 (12) twenty-five million dollars  
10 (\$25,000,000) for the replacement of a bridge over the  
11 Canadian river on United States highway 54 at mile post  
12 325.3, including demolition, planning, design and  
13 construction;

14 (13) twenty-five million dollars  
15 (\$25,000,000) for the planning, design, reconstruction and  
16 improvement of United States highway 64 from mile post 364.8  
17 to mile post 391.7;

18 (14) fifty million dollars (\$50,000,000) for  
19 the planning, design, reconstruction and improvement of  
20 United States highway 64 from mile post 56 to mile post 60;

21 (15) twenty-seven million dollars  
22 (\$27,000,000) for the planning, design, reconstruction and  
23 improvement of New Mexico highway 68 from Espanola to  
24 Velarde;

25 (16) twelve million dollars (\$12,000,000)

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1 for the planning, design, reconstruction and improvement of  
2 New Mexico highway 6 from interstate 40 to the boundary  
3 between state transportation districts 3 and 6;

4 (17) fifteen million dollars (\$15,000,000)  
5 for the reconstruction and improvement of New Mexico highway  
6 118 east of Gallup and within state transportation district  
7 6; and

8 (18) twenty million dollars (\$20,000,000)  
9 for the reconstruction and improvement of the portion of  
10 interstate 40 located within state transportation district 6.

11 E. Money from the severance tax bonds provided  
12 for in this section shall not be used to pay indirect costs.  
13 If the department of transportation has not certified the  
14 need for the issuance of bonds before July 1, 2019, the  
15 authorization provided in this section shall expire."

16 SECTION 18. A new section of the Severance Tax Bonding  
17 Act is enacted to read:

18 "[NEW MATERIAL] SUPPLEMENTAL SEVERANCE TAX BONDS--LOCAL  
19 GOVERNMENT TRANSPORTATION PROJECTS--APPROPRIATION OF  
20 PROCEEDS.--

21 A. For fiscal years 2016 through 2020, the  
22 department of transportation is authorized to certify that  
23 proceeds of supplemental severance tax bonds are needed for  
24 expenditures relating to local government transportation  
25 projects specifically authorized by the legislature.

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1           B. The state board of finance may issue and sell  
2 supplemental severance tax bonds in fiscal years 2016 through  
3 2020 in compliance with the Severance Tax Bonding Act when  
4 the department of transportation certifies the need for the  
5 issuance of the bonds, provided that in each of those fiscal  
6 years, the state board of finance shall issue no more than  
7 eleven and one-tenth percent of the amount of supplemental  
8 severance tax bonds that may be issued pursuant to Section  
9 7-27-14 NMSA 1978.

10           C. The state board of finance shall schedule the  
11 issuance and sale of the supplemental severance tax bonds as  
12 expeditiously and economically as possible upon a finding by  
13 the board that, based upon a certification from the  
14 department of transportation, the proceeds of the bonds are  
15 needed for the identified projects, that each of the  
16 identified projects certified has been specifically  
17 authorized by the legislature pursuant to this section, that  
18 each project identified has been developed sufficiently to  
19 justify the issuance of the bonds and a contract for the  
20 project can proceed within a reasonable time. The state  
21 board of finance shall further take the appropriate steps  
22 necessary to comply with the federal Internal Revenue Code of  
23 1986, as amended. The state board of finance may issue and  
24 sell the bonds in the same manner as other supplemental  
25 severance tax bonds in an amount not to exceed the authorized

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1 amount provided for in Subsection B of this section.

2 D. The proceeds from the sale of the bonds are  
3 appropriated to the department for transportation for  
4 distribution to local governments for transportation projects  
5 specifically authorized by the legislature for fiscal years  
6 2016 through 2020.

7 E. Money from the supplemental severance tax  
8 bonds provided for in this section shall not be used to pay  
9 indirect costs. If the department of transportation has not  
10 certified the need for the issuance of the bonds before July  
11 1, 2020, the authorization provided in this section shall  
12 expire.

13 F. As used in this section, "local government"  
14 means a municipality acting within its planning and platting  
15 jurisdiction, a county or an Indian nation, tribe or pueblo."

16 SECTION 19. REPEAL.--Laws 2001, Chapter 37, Section 1  
17 is repealed.