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HOUSE BILL 349

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY  
Raymond G. Sanchez

AN ACT

RELATING TO SEVERANCE TAX BONDS; AMENDING AN AUTHORIZATION  
FOR CERTAIN SEVERANCE TAX BONDS TO CLARIFY THE REQUIREMENTS  
FOR MATCHING FUNDS.

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

Section 1. Section 7-27-12.1 NMSA 1978 (being Laws 1999  
(1st S.S.), Chapter 5, Section 1) is amended to read:

"7-27-12.1. 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 2001 through 2010 in compliance with the Severance Tax  
Bonding Act in an amount not exceeding a total of twenty  
million dollars (\$20,000,000) when the local government  
division of the department of finance and administration  
certifies the need for the issuance of the bonds; provided  
that no more than two million dollars (\$2,000,000) may be

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1 issued in any one fiscal year. The state board of finance  
2 shall schedule the issuance and sale of the bonds in the most  
3 expeditious and economical manner possible upon a finding by  
4 the board that the project has been developed sufficiently to  
5 justify the issuance and that the project can proceed to  
6 contract within a reasonable time. The state board of  
7 finance shall further take the appropriate steps necessary to  
8 comply with the Internal Revenue Code of 1986, as amended.  
9 The proceeds from the sale of the bonds are appropriated to  
10 the local government division of the department of finance  
11 and administration for the purpose of financing water and  
12 sewer distribution and collection systems in the developed  
13 and underserved areas of Bernalillo county, including areas  
14 in the city of Albuquerque. The certification and issuance  
15 of bonds for any fiscal year is contingent upon the secretary  
16 of finance and administration receiving certification from  
17 the governing body of the city of Albuquerque and the board  
18 of county commissioners of Bernalillo county that funding in  
19 an amount equal to four and one-half times the amount of  
20 bonds issued pursuant to this section, including the amount  
21 of bonds proposed to be issued for that fiscal year, has been  
22 secured from federal, city and county sources to construct  
23 the water and sewer distribution and collection systems. Any  
24 funding from federal, city and county sources in excess of  
25 the amount required for certification in any fiscal year may  
be carried forward and credited against the amount required  
in subsequent fiscal years. Any unexpended or unencumbered

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1 balance remaining at the end of fiscal year 2012 shall revert  
2 to the severance tax bonding fund. If the local government  
3 division of the department of finance and administration has  
4 not certified the need for the issuance of the bonds by the  
5 end of fiscal year 2010, the authorization provided in this  
6 section shall expire."