

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
PROVIDING THAT THE TAX STABILIZATION RESERVE MAY BE EXPENDED  
UPON AN APPROPRIATION BY EXTRA MAJORITY VOTE OF THE  
LEGISLATURE AND A DECLARATION BY THE GOVERNOR THAT THE  
EXPENDITURE IS NECESSARY FOR THE PUBLIC PEACE, HEALTH AND  
SAFETY; MAKING AN APPROPRIATION; PROVIDING CONTINGENCIES.

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

Section 1. Section 6-4-2.2 NMSA 1978 (being Laws 1987,  
Chapter 347, Section 3, as amended) is amended to read:

"6-4-2.2. GENERAL FUND TAX STABILIZATION RESERVE. --

A. There is created within the general fund the  
"tax stabilization reserve".

B. The balance of the tax stabilization reserve  
shall be those funds directed to it by law and such other  
funds as the legislature may appropriate from time to time to  
the reserve.

C. Except as otherwise provided in Subsection D  
of this section, any balance of the tax stabilization reserve  
may be:

(1) appropriated only by a two-thirds  
majority vote of both houses of the legislature following  
receipt by the legislature of a declaration of the governor  
that such an appropriation is necessary for the public peace,

health and safety; or

(2) expended by the governor only:

(a) pursuant to an appropriation made by a two-thirds majority vote of both houses of the legislature specifying the amount of the appropriation and the purpose of the expenditure; and

(b) if the governor declares that the expenditure is necessary for the public peace, health and safety.

D. In the event that the general fund revenues, including all transfers to the general fund authorized by law, are projected by the governor to be insufficient either to meet the level of appropriations authorized by law from the general fund for the current fiscal year or to meet the level of appropriations recommended in the budget and appropriations bill submitted in accordance with Section 6-3-21 NMSA 1978 for the next fiscal year, the balance in the tax stabilization reserve may be appropriated by the legislature up to the amount of the projected insufficiency for either or both fiscal years."

Section 2. APPROPRIATION-- CONTINGENCY. --

A. Thirty million dollars (\$30,000,000) is appropriated from the tax stabilization reserve to the department of finance and administration for expenditure in fiscal years 2003 and 2004 for the purpose of protecting,

enhancing or conserving New Mexico's water resources. The department of finance and administration shall transfer the appropriation to the interstate stream commission in three separate increments of ten million dollars (\$10,000,000) upon the compliance with the requirements of this section; provided that no less than one-third of the total amount expended from each increment shall be used to comply with New Mexico's obligations under the Pecos River Compact. The transfer and expenditure of each increment of ten million dollars (\$10,000,000) of the appropriation is contingent upon:

(1) a declaration by the governor pursuant to Section 6-4-2.2 NMSA 1978 that the expenditure is necessary for the public peace, health and safety;

(2) a certification by the governor to the state board of finance that, after the transfer, the sum of the remaining balances in the appropriation contingency fund, the general fund operating reserve and the tax stabilization reserve will not be less than five percent of the recurring general fund appropriations for the prior fiscal year;

(3) a plan, prepared and adopted by the interstate stream commission and describing the proposed expenditures, that is approved by the state board of finance after review by the water trust board; and

(4) an agreement by the state board of

finance that the expenditure is necessary for the public peace, health and safety.

B. The interstate stream commission shall make periodic reports on expenditures made pursuant to this section to the water trust board, the legislative finance committee and the appropriate interim legislative committee.

C. Expenditures for the purchase of land with valid appurtenant water rights or rights to the delivery of water shall be made only from willing sellers within the lower Pecos river basin downstream from Sumner reservoir.

D. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the tax stabilization reserve. \_\_\_\_\_