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HOUSE BILL 441

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO SEVERANCE TAX BONDS; LOWERING THE MATCH
REQUIREMENT FOR BONDS ISSUED TO FINANCE WATER AND SEWER
DISTRIBUTION AND COLLECTION SYSTEMS IN THE DEVELOPED AND
UNDERSERVED AREAS OF BERNALILLO COUNTY.

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, as amended) 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

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1 department of finance and administration certifies the need
2 for the issuance of the bonds; provided that no more than four
3 million dollars (\$4,000,000) may be issued in fiscal year 2001
4 and no more than two million dollars (\$2,000,000) may be
5 issued in any one fiscal year thereafter. The state board of
6 finance shall schedule the issuance and sale of the bonds in
7 the most expeditious and economical manner possible upon a
8 finding by the board that the project has been developed
9 sufficiently to justify the issuance and that the project can
10 proceed to contract within a reasonable time. The state board
11 of finance shall further take the appropriate steps necessary
12 to comply with the Internal Revenue Code of 1986, as amended.
13 The proceeds from the sale of the bonds are appropriated to
14 the local government division of the department of finance and
15 administration for the purpose of financing water and sewer
16 distribution and collection systems in the developed and
17 underserved areas of Bernalillo county, including areas in the
18 city of Albuquerque. The certification and issuance of bonds
19 for any fiscal year is contingent upon the secretary of
20 finance and administration receiving certification from the
21 governing body of the city of Albuquerque and the board of
22 county commissioners of Bernalillo county that funding in an
23 amount equal to [~~four~~] one and one-half times the amount of
24 bonds issued pursuant to this section, including the amount of
25 bonds proposed to be issued for that fiscal year, has been

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1 secured from federal, city and county sources to construct the
2 water and sewer distribution and collection systems. Any
3 funding from federal, city and county sources in excess of the
4 amount required for certification in any fiscal year may be
5 carried forward and credited against the amount required in
6 subsequent fiscal years. Any unexpended or unencumbered
7 balance remaining at the end of fiscal year 2012 shall revert
8 to the severance tax bonding fund. If the local government
9 division of the department of finance and administration has
10 not certified the need for the issuance of the bonds by the
11 end of fiscal year 2010, the authorization provided in this
12 section shall expire. "