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HOUSE BILL 622

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; AUTHORIZING EXPENDITURES FROM CERTAIN FUNDS AND BALANCES; REAUTHORIZING BALANCES; CHANGING THE PURPOSE OF PRIOR AUTHORIZATIONS AND APPROPRIATIONS; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

Section 1. SEVERANCE TAX BONDS--AUTHORIZATIONS--  
APPROPRIATION OF PROCEEDS.--

A. The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not to exceed the total of the amounts .160398.2

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1 authorized for purposes specified in this act. The state board  
2 of finance shall schedule the issuance and sale of the bonds in  
3 the most expeditious and economical manner possible upon a  
4 finding by the board that the project has been developed  
5 sufficiently to justify the issuance and that the project can  
6 proceed to contract within a reasonable time. The state board  
7 of finance shall further take the appropriate steps necessary  
8 to comply with the Internal Revenue Code of 1986, as amended.  
9 Proceeds from the sale of the bonds are appropriated for the  
10 purposes specified in this act.

11 B. The agencies named in this act shall certify to  
12 the state board of finance when the money from the proceeds of  
13 the severance tax bonds authorized in this section is needed  
14 for the purposes specified in the applicable section of this  
15 act. If an agency has not certified the need for the issuance  
16 of the bonds for a particular project, including projects that  
17 have been reauthorized, by the end of fiscal year 2008, the  
18 authorization for that project is void.

19 C. Before an agency may certify for the issuance of  
20 severance tax bonds, the project must be developed sufficiently  
21 so that the agency reasonably expects to:

22 (1) incur within six months after the  
23 applicable bonds have been issued a substantial binding  
24 obligation to a third party to expend at least five percent of  
25 the bond proceeds for the project; and

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1 (2) spend at least eighty-five percent of the  
2 bond proceeds within three years after the applicable bonds  
3 have been issued.

4 D. Except as otherwise provided in this section or  
5 another section of this act, the unexpended balance from the  
6 proceeds of severance tax bonds issued for a project, including  
7 projects that have been reauthorized, shall revert to the  
8 severance tax bonding fund as follows:

9 (1) for projects for which severance tax bonds  
10 were issued to match federal grants, six months after  
11 completion of the project;

12 (2) for projects for which severance tax bonds  
13 were issued to purchase vehicles, heavy equipment, educational  
14 technology or other equipment or furniture that is not related  
15 to a more inclusive construction or renovation project, at the  
16 end of the fiscal year two years following the fiscal year in  
17 which the severance tax bonds were issued for the purchase;

18 (3) for projects for which severance tax bonds  
19 were issued to purchase emergency vehicles or other vehicles  
20 that require special equipment, at the end of the fiscal year  
21 two years following the fiscal year in which the severance tax  
22 bonds were issued for the purchase; and

23 (4) for all other projects for which severance  
24 tax bonds were issued, within six months of completion of the  
25 project, but no later than the end of fiscal year 2009.

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1           E. Except for appropriations to the capital program  
2 fund, money from severance tax bond proceeds provided pursuant  
3 to this act shall not be used to pay indirect project costs.

4           F. For the purpose of this section, "unexpended  
5 balance" means the remainder of an appropriation after  
6 reserving for unpaid costs and expenses covered by binding  
7 written obligations to third parties.

8           Section 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--  
9 LIMITATIONS--REVERSIONS.--

10           A. Except as otherwise provided in this section or  
11 another section of this act, the unexpended balance of an  
12 appropriation made in this act from the general fund or other  
13 state fund, including changes to prior appropriations, shall  
14 revert to the originating fund as follows:

15                   (1) for projects for which appropriations were  
16 made to match federal grants, six months after completion of  
17 the project;

18                   (2) for projects for which appropriations were  
19 made to purchase vehicles, heavy equipment, educational  
20 technology or equipment or furniture that is not related to a  
21 more inclusive construction or renovation project, at the end  
22 of the fiscal year two years following the fiscal year in which  
23 the appropriation was made for the purchase;

24                   (3) for projects for which appropriations were  
25 made to purchase emergency vehicles or other vehicles that

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1 require special equipment, at the end of the fiscal year two  
2 years following the fiscal year in which the appropriation was  
3 made for the purchase; and

4 (4) for all other projects for which  
5 appropriations were made, within six months of completion of  
6 the project, but no later than the end of fiscal year 2009.

7 B. Upon certification by an agency that money from  
8 the general fund is needed for a purpose specified in this act,  
9 the secretary of finance and administration shall disburse such  
10 amount of the appropriation for that project as is necessary to  
11 meet that need.

12 C. Except for appropriations to the capital program  
13 fund, money from appropriations made in this act shall not be  
14 used to pay indirect project costs.

15 D. For the purpose of this section, "unexpended  
16 balance" means the remainder of an appropriation after  
17 reserving for unpaid costs and expenses covered by binding  
18 written obligations to third parties.

19 Section 3. AGING PROJECTS--AGING AND LONG-TERM SERVICES  
20 DEPARTMENT--SEVERANCE TAX BONDS.--Pursuant to the provisions of  
21 Section 1 of this act, upon certification by the aging and  
22 long-term services department that the need exists for the  
23 issuance of the bonds, two million eight hundred thousand  
24 dollars (\$2,800,000) is appropriated to the aging and long-term  
25 services department to purchase vehicles for senior centers

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1 statewide.

2 Section 4. STATEWIDE MAGISTRATE COURT PROJECTS--  
3 ADMINISTRATIVE OFFICE OF THE COURTS--SEVERANCE TAX BONDS.--

4 Pursuant to the provisions of Section 1 of this act, upon  
5 certification by the administrative office of the courts that  
6 the need exists for the issuance of the bonds, five hundred  
7 thousand dollars (\$500,000) is appropriated to the  
8 administrative office of the courts for improvements to  
9 purchase proximity entrance systems, shatterproof security  
10 windows at clerks' counters, panic-duress alarms, X-ray  
11 machines and interior door locks for magistrate courts  
12 statewide.

13 Section 5. STATEWIDE MAIN STREET PROJECTS--ECONOMIC  
14 DEVELOPMENT DEPARTMENT--SEVERANCE TAX BONDS.--Pursuant to the  
15 provisions of Section 1 of this act, upon certification by the  
16 economic development department that the need exists for the  
17 issuance of the bonds, four million dollars (\$4,000,000) is  
18 appropriated to the economic development department to fund  
19 main street projects in communities statewide, including  
20 building renovations, renovations to historic plaza centers,  
21 streetlights, sidewalks, awnings and signage.

22 Section 6. CULTURAL AFFAIRS PROJECTS--CULTURAL AFFAIRS  
23 DEPARTMENT--SEVERANCE TAX BONDS.--Pursuant to the provisions of  
24 Section 1 of this act, upon certification by the cultural  
25 affairs department that the need exists for the issuance of the

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1 bonds, seven million seven hundred thousand dollars  
2 (\$7,700,000) is appropriated to the cultural affairs department  
3 to fund statewide facility repairs and improvements to comply  
4 with health and safety requirements of the Americans with  
5 Disabilities Act of 1990 at cultural affairs department  
6 facilities statewide.

7 Section 7. SEVENTH GRADE LAPTOP INITIATIVE--PUBLIC  
8 EDUCATION DEPARTMENT--GENERAL FUND.--Eight million dollars  
9 (\$8,000,000) is appropriated from the general fund to the  
10 public education department for expenditure in fiscal years  
11 2006 and 2007 to purchase laptop computers for seventh grade  
12 students statewide.

13 Section 8. STATEWIDE GROUND WATER MEASUREMENT--OFFICE OF  
14 THE STATE ENGINEER--GENERAL FUND.--Five hundred thousand  
15 dollars (\$500,000) is appropriated from the general fund to the  
16 office of the state engineer for expenditure in fiscal years  
17 2006 through 2011 to purchase and install well meters in  
18 nondomestic wells statewide for ground water measurement.

19 Section 9. MESA ROAD ASBESTOS REMEDIATION--CHANGE TO  
20 BELEN LIBRARY CONSTRUCTION--SEVERANCE TAX BONDS.--The  
21 unexpended balance of the appropriation to the department of  
22 environment for the project in Subsection 58 of Section 12 of  
23 Chapter 347 of Laws 2005 for asbestos remediation in water and  
24 sewer lines on Mesa road in Belen in Valencia county shall not  
25 be expended for the original purpose but is appropriated to the

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1 local government division to plan, design, construct, equip and  
2 furnish a public library in Belen.

3 Section 10. SAN JUAN DETOXIFICATION CENTER--CHANGE TO  
4 BEHAVIORAL HEALTH CENTER IN FARMINGTON--SEVERANCE TAX BONDS.--

5 The unexpended balance of the appropriation to the local  
6 government division for the project in Subsection 155 of  
7 Section 16 of Chapter 347 of Laws 2005 for a San Juan  
8 detoxification center in San Juan county shall not be expended  
9 for the original purpose but is changed to furnish and equip  
10 the behavioral health center in Farmington in San Juan county.

11 Section 11. COMMUNICATIONS TOWER FOR THE TULAROSA SAFETY  
12 BUILDING--CHANGE TO EQUIPMENT AND VEHICLES--GENERAL FUND.--The  
13 unexpended balance of the appropriation to the department of  
14 public safety in Subsection 3 of Section 50 of Chapter 347 of  
15 Laws 2005 to construct a communications tower for the Tularosa  
16 safety building in Otero county shall not be expended for the  
17 original purpose but is appropriated to the local government  
18 division to purchase equipment and vehicles for the Tularosa  
19 department of public safety in Otero county.

20 Section 12. PROJECT SCOPE--EXPENDITURES.--If an  
21 appropriation for a project authorized in this act is not  
22 sufficient to complete all the purposes specified, the  
23 appropriation may be expended for any portion of the purposes  
24 specified in the appropriation. Expenditures shall not be made  
25 for purposes other than those specified in the appropriation.

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Section 13. ART IN PUBLIC PLACES.--Pursuant to Section 13-4A-4 NMSA 1978 and where applicable, the appropriations authorized in this act include one percent for the art in public places fund.

Section 14. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.