## SENATE BILL 339

# 51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Stuart Ingle

AN ACT

RELATING TO GOVERNMENT SERVICES; AMENDING AND REPEALING
SECTIONS OF THE NMSA 1978 TO MERGE THE BUILDING SERVICES
DIVISION INTO THE FACILITIES MANAGEMENT DIVISION OF THE GENERAL
SERVICES DEPARTMENT; CHANGING THE NAME OF THE PROPERTY CONTROL
DIVISION OF THE GENERAL SERVICES DEPARTMENT TO THE FACILITIES
MANAGEMENT DIVISION.

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

SECTION 1. Section 6-21-6.14 NMSA 1978 (being Laws 2009, Chapter 145, Section 2) is amended to read:

"6-21-6.14. LEASE PURCHASE REVENUE BONDS--LEASE PURCHASE AGREEMENTS.--

A. If specifically authorized by law, the authority may issue and sell lease purchase revenue bonds in compliance with the New Mexico Finance Authority Act and enter into a

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lease purchase agreement pursuant to the provisions of this section.

- Lease purchase revenue bonds may be issued at times and on terms established by the authority and shall be paid exclusively from a debt service fund created pursuant to this section. The net proceeds from the sale of lease purchase revenue bonds are appropriated to the authority for the purpose of acquiring by construction or purchase the buildings, land or infrastructure specified in the authorizing law; provided that, if authorized by law, the net proceeds may also be used for debt service payments due before sufficient lease payments have been deposited into the applicable debt service fund.
- C. All lease purchase revenue bonds issued by the authority shall be obligations of the authority payable solely from the separate debt service fund created for those bonds. The bonds shall not create an obligation, debt or liability of the state, and no breach of any pledge, obligation or agreement of the authority shall impose a pecuniary liability or charge upon the general credit or taxing power of the state or any political subdivision of the state.
- The authority may purchase lease purchase D. revenue bonds with money in the public project revolving fund pursuant to the provisions of Section 6-21-6 NMSA 1978.
- A debt service fund shall be created in the authority for each authorized issuance of lease purchase .191953.2

revenue bonds. Each fund shall consist of transfers to the fund, legislative appropriations, lease payments made by the [property control] facilities management division of the general services department or other lessee pursuant to the authorized lease purchase agreement and money earned from investment of the fund. Balances remaining in a fund at the end of a fiscal year shall not revert. Money in each fund is appropriated to the authority for:

- (1) the payment of principal, interest, premiums and expenses on the specific lease purchase revenue bonds that are issued pursuant to the bond authorization; and
- (2) if authorized by law, required maintenance and repairs of the building, land or infrastructure if the authority determines that money in the fund is sufficient to meet the requirements of Paragraph (1) of this subsection plus any required reserve.
- F. Upon the certification of the authority that all debt service on a specific issuance of lease purchase revenue bonds has been paid in full, any remaining balance of the debt service fund created for those bonds shall be transferred to the general fund.
- G. The authority may enter into an agreement with the [property control] facilities management division of the general services department or other agency specified by law for the lease purchase of the building acquired with the lease .191953.2

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purchase revenue bond proceeds. The agreement shall provide the lessee with an option to purchase for a price that is reduced according to the lease payments made and shall also provide that:

- (1) there is no legal obligation for the state to continue the lease from year to year or to purchase the building;
- (2) the lease shall be terminated if sufficient appropriations are not available to meet the current lease payments;
- (3) if authorized by the legislature, the lease payments include a maintenance component that may escalate annually and, over the length of the agreement, approximate the amount that will be needed for the maintenance and repair of the building; and
- (4) if the lessee is the [property control]

  facilities management division of the general services

  department or an agency under the jurisdiction of the [property control] facilities management division, the title to the building shall be issued in the name of the [property control] facilities management division if the building is purchased.
- H. The provisions of this section apply to state buildings specifically authorized by law to be acquired pursuant to this section through lease purchase agreements with the authority. Nothing in this section limits or otherwise

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affects the power that the authority has under other laws to incur debt, acquire and dispose of property or enter into agreements."

SECTION 2. Section 6-21C-4 NMSA 1978 (being Laws 2001, Chapter 199, Section 4, as amended) is amended to read:

"6-21C-4. NEW MEXICO FINANCE AUTHORITY SHALL ISSUE BUILDING BONDS--APPROPRIATION OF PROCEEDS.--

The New Mexico finance authority is authorized Α. to issue and sell revenue bonds, known as "state office building tax revenue bonds", payable solely from the state building bonding fund, in compliance with the State Building Bonding Act for the purpose of acquiring state office buildings and related facilities and other critical state facilities within the master planning jurisdiction of the capitol buildings planning commission when the acquisition has been reviewed by the capitol buildings planning commission and has been authorized by legislative act and the director of the [property control] facilities management division of the general services department has certified the need for the issuance of the bonds; provided that the total amount of state office building tax revenue bonds outstanding at any one time shall not exceed one hundred fifteen million dollars (\$115,000,000).

B. The net proceeds from the building bonds are appropriated to the [property control] facilities management .191953.2

division of the general services department for the purpose of acquiring state office buildings and related facilities and other critical state facilities within the master planning jurisdiction of the capitol buildings planning commission, the acquisition of which shall be consistent with the State Building Bonding Act and the authorizing legislation."

SECTION 3. Section 6-21C-5 NMSA 1978 (being Laws 2001, Chapter 199, Section 5, as amended) is amended to read:

"6-21C-5. STATE BUILDING BONDING FUND CREATED--MONEY IN THE FUND PLEDGED.--

A. The "state building bonding fund" is created as a special fund within the New Mexico finance authority. The fund shall be administered by the New Mexico finance authority as a special account. The fund shall consist of money appropriated and transferred to the fund and gross receipts tax revenues distributed to the fund by law. Earnings of the fund shall be credited to the fund. Balances in the fund at the end of any fiscal year shall remain in the fund, except as provided in this section.

- B. Money in the state building bonding fund is pledged for the payment of principal and interest on all building bonds issued pursuant to the State Building Bonding Act. Money in the fund is appropriated:
- (1) to the New Mexico finance authority for the purpose of paying debt service, including redemption .191953.2

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premiums, on the building bonds and the expenses incurred in the issuance, payment and administration of the bonds; and

- if specifically authorized in the law (2) authorizing the acquisition of a building, to the [property control facilities management division of the general services department for expenditures for required maintenance and repairs of that building but only if the authority determines that money in the fund is sufficient to meet the requirements of Paragraph (1) of this subsection.
- On the last day of January and July of each year, the New Mexico finance authority shall estimate the amount needed to make debt service and other payments during the next twelve months from the state building bonding fund on the building bonds issued pursuant to the State Building Bonding Act plus the amount that may be needed for any required reserves and, if specifically authorized in the law authorizing the acquisition of a building, the amount that may be needed for required maintenance and repairs of that building. Mexico finance authority shall transfer to the general fund any balance in the state building bonding fund above the estimated amounts.
- Any balance remaining in the state building bonding fund shall be transferred to the general fund upon certification by the New Mexico finance authority that:
  - the director of the [property control] (1)

facilities management division of the general services department and the New Mexico finance authority have agreed that the building bonds issued pursuant to the State Building Bonding Act have been retired, that no additional obligations of the state building bonding fund exist and that no additional expenditures from the fund are necessary; or

- (2) a court of jurisdiction has ruled that the building bonds have been retired, that no additional obligations of the state building bonding fund exist and that no additional expenditures from the fund are necessary.
- E. The building bonds issued pursuant to the State Building Bonding Act shall be payable solely from the state building bonding fund or, with the approval of the bondholders, such other special funds as may be provided by law and do not create an obligation or indebtedness of the state within the meaning of any constitutional provision. No breach of any contractual obligation incurred pursuant to that act shall impose a pecuniary liability or a charge upon the general credit or taxing power of the state, and the bonds are not general obligations for which the state's full faith and credit is pledged.
- F. The state does hereby pledge that the state building bonding fund shall be used only for the purposes specified in this section and pledged first to pay the debt service on the building bonds issued pursuant to the State

Building Bonding Act. The state further pledges that any law authorizing the distribution of taxes or other revenues to the state building bonding fund or authorizing expenditures from the fund shall not be amended or repealed or otherwise modified so as to impair the bonds to which the state building bonding fund is dedicated as provided in this section."

SECTION 4. Section 6-21C-8 NMSA 1978 (being Laws 2001, Chapter 199, Section 8, as amended) is amended to read:

"6-21C-8. PROCEDURE FOR SALE OF BUILDING BONDS.--

A. Building bonds shall be sold by the New Mexico finance authority at such times and in such manner as the authority may elect, consistent with the need of the [property control] facilities management division of the general services department, either at private sale for a negotiated price or to the highest bidder at public sale for cash at not less than par and accrued interest.

B. In connection with any public sale of building bonds, the New Mexico finance authority shall publish a notice of the time and place of sale in a newspaper of general circulation in the state and also in a recognized financial journal outside the state. Such publication shall be made once each week for two consecutive weeks prior to the date fixed for such sale, the last publication to be two business days prior to the date of sale. Such notice shall specify the amount, denomination, maturity and description of the bonds to be

offered for sale and the place, day and hour at which sealed bids therefor shall be received. All bids, except that of the state, shall be accompanied by a deposit of two percent of the principal amount of the bonds. Deposits of unsuccessful bidders shall be returned upon rejection of the bid. At the time and place specified in such notice, the New Mexico finance authority shall open the bids in public and shall award the bonds, or any part thereof, to the bidder or bidders offering the best price. The New Mexico finance authority may reject any or all bids and readvertise.

C. The New Mexico finance authority may sell a building bond issue, or any part thereof, to the state or to one or more investment bankers or institutional investors at private sale."

SECTION 5. Section 6-21D-3 NMSA 1978 (being Laws 2005, Chapter 176, Section 3, as amended) is amended to read:

"6-21D-3. BUILDING ASSESSMENTS FOR ENERGY EFFICIENCY MEASURES.--

A. Upon the request of a state agency or a school district, the department may perform an energy efficiency assessment of a state or school district building to identify the energy efficiency measures that can be installed and operated at a total price that is less than the energy cost savings realized. In addition, the assessment shall include a schedule for funding and installing the energy efficiency

measures that will realize significant energy cost savings in the shortest time frame. The department shall develop the assessment of:

- (1) state buildings, in conjunction with the [property control] facilities management division of the general services department, the staff architect of the division, the capitol buildings planning commission and other state agencies with control and management over buildings; and
- (2) school district buildings, in conjunction with the public education department, the public school capital outlay council and the public school facilities authority.
- B. State agencies and school districts shall cooperate with the department in the assessment performed pursuant to Subsection A of this section."
- SECTION 6. Section 9-7-6.5 NMSA 1978 (being Laws 2005, Chapter 317, Section 1, as amended by Laws 2008, Chapter 4, Section 1 and by Laws 2008, Chapter 70, Section 1) is amended to read:
- "9-7-6.5. AGREEMENTS FOR A REPLACEMENT FACILITY FOR FORT BAYARD MEDICAL CENTER.--
- A. Notwithstanding any other provision of state law or rule, the secretary may do one or more of the following:
- (1) enter into an agreement, including an agreement with an independent contractor, to operate Fort Bayard medical center or a replacement for Fort Bayard medical .191953.2

center in Grant county;

- (2) acquire by purchase, lease, construction, lease purchase or other financing arrangement a facility to be located in Grant county to replace Fort Bayard medical center, provided that, if the acquisition results in the transfer of the title to the facility, the title to the facility shall be in the name of the [property control] facilities management division of the general services department; or
- (3) enter into an agreement with Grant county under which the department may construct or cause to be constructed the facility that will replace the Fort Bayard medical center.
- B. The provisions of the Procurement Code shall not apply to the procurement, by either the department or Grant county or both, of tangible personal property, services or construction deemed necessary by the department to effectuate the provisions of this section. However, agreements related to the acquisition of the facility to replace Fort Bayard medical center shall be subject to the provisions of state law regulating the acquisition and disposal of real property by governmental entities.
- C. An operating agreement entered into pursuant to this section shall include provisions for the continued employment of all current and future Fort Bayard medical center employees, excluding management employees of the contractor, as .191953.2

state employees, entitled and subject to all the rights and responsibilities of state employees. Under the terms of the agreement and the overall direction of the department, the independent contractor shall provide management and supervision to state employees at Fort Bayard medical center, including the provision of work assignments, evaluations and promotional and disciplinary actions.

D. Pursuant to Section 15-3-35 NMSA 1978, the legislature ratifies and approves a lease-purchase agreement, in a form approved by the state board of finance, between the department, as lessee-purchaser and Grant county, as lessorseller, for the facility that will replace the Fort Bayard medical center, provided that, upon transfer of title, title to the facility shall be in the name of the [property control] facilities management division of the general services department."

SECTION 7. Section 9-17-3 NMSA 1978 (being Laws 1983, Chapter 301, Section 3, as amended) is amended to read:

"9-17-3. GENERAL SERVICES DEPARTMENT--CREATION--TRANSFER
AND MERGER OF DIVISION FUNCTIONS--MERGER AND CREATION OF
DIVISIONS.--

A. The "general services department" is created.

The department shall consist of those divisions created by law or executive order, as modified by executive order pursuant to Subsection C of this section, including:

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2	[ <del>(2) the building services division;</del>
3	(3) (2) the [property control] facilities
4	management division;
5	$[\frac{(4)}{(3)}]$ the purchasing division;
6	$[\frac{(5)}{(4)}]$ the risk management division; and
7	$[\frac{(6)}{(5)}]$ the transportation services
8	division.
9	B. The secretary of general services is empowered
10	to organize the department and the divisions specified in
11	Subsection A of this section and may transfer or merge
12	functions between divisions in the interest of efficiency and
13	economy.
14	C. The governor is empowered to merge divisions of
15	the department or to create additional divisions by executive
16	order in the interest of efficiency or economy."
17	<b>SECTION 8.</b> Section 9-27-19 NMSA 1978 (being Laws 1975,
18	Chapter 214, Section 4, as amended) is amended to read:
19	"9-27-19. TRANSFER OF PROPERTYCUSTODY AND CONTROLThe
20	radio equipment purchased in accordance with Laws 1972, Chapter
21	74 by the [ <del>property control</del> ] <u>facilities management</u> division of
22	the general services department is transferred to the
23	department of information technology. The department has the
24	custody and control of the transferred radio equipment."
25	<b>SECTION 9.</b> Section 12-6-10 NMSA 1978 (being Laws 1969,

(1) the administrative services division;

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Chapter 68, Section 10, as amended) is amended to read: "12-6-10. ANNUAL INVENTORY.--

The governing authority of each agency shall, at the end of each fiscal year, conduct a physical inventory of movable chattels and equipment costing more than five thousand dollars (\$5,000) and under the control of the governing authority. This inventory shall include all movable chattels and equipment procured through the capital program fund under Section 15-3B-16 NMSA 1978, which are assigned to the agency designated by the director of the [property control] facilities management division of the general services department as the user agency. The inventory shall list the chattels and equipment and the date and cost of acquisition. No agency shall be required to list any item costing five thousand dollars (\$5,000) or less. Upon completion, the inventory shall be certified by the governing authority as to correctness. Each agency shall maintain one copy in its files. At the time of the annual audit, the state auditor shall [satisfy himself as to] ascertain the correctness of the inventory by generally accepted auditing procedures.

- The official or governing authority of each agency is chargeable on [his] the official's or authority's official bond for the chattels and equipment shown in the inventory.
- The general services department shall establish C. .191953.2

standards, including a uniform classification system of inventory items, and promulgate rules concerning the system of inventory accounting for chattels and equipment required to be inventoried, and the governing authority of each agency shall install the system. A museum collection list or catalogue record and a library accession record or shelf list shall constitute the inventories of museum collections and library collections maintained by state agencies and local public bodies.

D. No surety upon the official bond of any officer or employee of any agency shall be released from liability until a complete accounting has been had. All official bonds shall provide coverage of, or be written in a manner to include, inventories."

SECTION 10. Section 13-1-121 NMSA 1978 (being Laws 1984, Chapter 65, Section 94, as amended) is amended to read:

"13-1-121. COMPETITIVE SEALED QUALIFICATIONS-BASED

PROPOSALS--ARCHITECTS--ENGINEERS--LANDSCAPE ARCHITECTS-SURVEYORS--SELECTION COMMITTEE--STATE PUBLIC WORKS PROJECTS.--

A. The "architect, engineer, landscape architect and surveyor selection committee" is created. The committee, which shall serve as the selection committee for state public works projects, except for highway projects of the [state highway and transportation] department of transportation, is composed of four members as follows:

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1	(1) one member of the agency for which the
2	project is being designed;
3	(2) the director of the [property control]
4	facilities management division of the general services
5	department, who shall be [chairman] chair;
6	(3) one member designated by the [architect-
7	engineer-landscape architect] joint practice committee; and
8	(4) one member designated by the secretary.
9	B. The staff architect or [his] the staff
10	architect's designee of the [property control] facilities
11	management division shall serve as staff to the architect,
12	engineer, landscape architect and surveyor selection committee.
13	C. The members of the architect, engineer,
14	landscape architect and surveyor selection committee shall be
15	reimbursed by the [property control] facilities management
16	division for per diem and mileage in accordance with the
17	provisions of the Per Diem and Mileage Act.
18	D. The [state highway and transportation]
19	department of transportation shall create a selection committee
20	by rule, after notice and hearing, [which] that shall serve as
21	the selection committee for highway projects of the
22	department."
23	SECTION 11. Section 13-4A-3 NMSA 1978 (being Laws 1986,
24	Chapter 11, Section 3, as amended) is amended to read:
25	"13-4A-3. DEFINITIONSAs used in the Art in Public

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"agency" means all state departments and agencies, boards, councils, institutions, commissions and quasi-public corporations, including all state educational institutions enumerated in Article 12, Section 11 of the constitution of New Mexico, and all statutorily created postsecondary educational institutions;

- "architect" means the person or firm designing the project for the contracting agency to which the one percent provision pursuant to Section 13-4A-4 NMSA 1978 applies;
- "contracting agency" means the agency having the control, management and power to enter into contracts for new construction or renovation of any public building;
- "division" means the arts division of the D. [office of] cultural affairs department;
- "public buildings" means those buildings under the control and management of the [property control] facilities management division of the general services department, the department of game and fish, the energy, minerals and natural resources department, the [state highway and] department of transportation [department], the state fair commission, the supreme court, the commissioner of public lands, the [office of] cultural affairs department, the governing boards of the state educational institutions and statutorily created postsecondary educational institutions, the [state department of]

public education <u>department</u> and the legislature or all buildings constructed with funds appropriated by the legislature. For the purposes of the Art in Public Places Act, "public buildings" does not include such auxiliary buildings as maintenance plants, correctional facilities, warehouses or temporary structures; and

F. "work of art" means any work of visual art, including but not limited to a drawing, painting, mural, fresco, sculpture, mosaic or photograph; a work of calligraphy; a work of graphic art, including an etching, lithograph, offset print, silk screen or a work of graphic art of like nature; works in clay, textile, fiber, wood, metal, plastic, glass and like materials; or mixed media, including a collage or assemblage or any combination of the foregoing art media [which] that is chosen to be included in or immediately adjoining the public building under consideration. Under special circumstances, the term may include environmental landscaping if approved by the division."

SECTION 12. Section 15-3-5 NMSA 1978 (being Laws 1957, Chapter 92, Section 2, as amended) is amended to read:

"15-3-5. PENITENTIARY PROPERTY TRANSFERRED.--The remaining property on Cordova road held in the name of the New Mexico state penitentiary, including the former site of the New Mexico state penitentiary, is hereby transferred to the [property control] facilities management division of the .191953.2

general services department. The land  $[\frac{will}]$  shall be held in the name of the state of New Mexico."

SECTION 13. Section 15-3-6 NMSA 1978 (being Laws 1959, Chapter 174, Section 2, as amended) is amended to read:

"15-3-6. LEASE OF FORMER PENITENTIARY LAND.--The

[property control] facilities management division of the
general services department may execute on behalf of the state
of New Mexico as lessor, from time to time, agreements of lease
of all or any part of the real property on Cordova road in
Santa Fe, New Mexico formerly held in the name of the
penitentiary of New Mexico and now administered by the division
to such persons on such terms and conditions and for such
consideration as the division determines in the exercise of its
discretion to be advantageous to the state of New Mexico; but
no such agreement of lease shall provide for a term of more
than five years from the date thereof unless first approved by
the state board of finance."

SECTION 14. Section 15-3-6.1 NMSA 1978 (being Laws 2001, Chapter 195, Section 1) is amended to read:

"15-3-6.1. STATE PENITENTIARY--LEASE FOR MOTION
PICTURES.--The corrections department, the [property control]
facilities management division of the general services
department and the New Mexico film division of the economic
development department shall enter into a joint powers
agreement to make the old state penitentiary at Santa Fe

available for use by the motion picture industry. The property and structures that fall within the existing security perimeter fence at the old state penitentiary at Santa Fe and any building not used by the corrections department that is within three hundred yards of the outside of the security perimeter fence of the old state penitentiary at Santa Fe shall be made available for lease at reasonable market rates to the motion picture industry for economic development."

SECTION 15. Section 15-3-35 NMSA 1978 (being Laws 2007, Chapter 184, Section 1) is amended to read:

"15-3-35. LEASE-PURCHASE AGREEMENTS--APPROVAL OF LEGISLATURE.--

A. A financing agreement under which a state agency is to occupy a building or other real property and that contains an option to purchase for a price that is reduced according to the lease payments made is subject to the following criteria:

- (1) the agreement shall not become effective until it has been ratified and approved by the legislature; and
- (2) if the state agency is subject to the jurisdiction of the [property control] facilities management division of the general services department pursuant to the Property Control Act, the agreement shall provide that, if the real property is purchased, title to the real property shall be issued in the name of the [property control] facilities

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- B. Legislative ratification and approval of an agreement pursuant to Subsection A of this section shall not create a legal obligation for the state agency to continue the lease from year to year or to purchase the real property.
- C. As used in this section, "state agency" means the state or any of its branches, agencies, departments, boards, instrumentalities or institutions, but "state agency" does not include state educational institutions or state-chartered charter schools."
- SECTION 16. Section 15-3B-2 NMSA 1978 (being Laws 1972, Chapter 74, Section 2, as amended) is amended to read:
- "15-3B-2. DEFINITIONS.--As used in the Property Control Act:
- A. "capital outlay project" means the acquisition, improvement, alteration or reconstruction of assets of a long-term character that are intended to continue to be held or used, including land, buildings, machinery, furniture and equipment. A "capital outlay project" includes all proposed expenditures related to the entire undertaking;
- B. "department" means the general services department;
  - C. "director" means the director of the division;
- D. "division" means the [property control]

  facilities management division of the department;

E. "jurisdiction" means all state buildings and
land except those under the control and management of the state
armory board, the border authority, the cultural affairs
department, the state fair commission, the department of game
and fish, the department of transportation, the commissioner of
public lands, the state parks division of the energy, minerals
and natural resources department, the state institutions of
higher learning, regional education cooperatives, the New
Mexico school for the deaf, the New Mexico school for the blind
and visually impaired, the judicial branch, the legislative
branch, property acquired by the economic development
department pursuant to the Statewide Economic Development
Finance Act and property acquired by the public school
facilities authority pursuant to the Public School Capital
Outlay Act; and

F. "secretary" means the secretary of general services."

SECTION 17. Section 15-3B-3 NMSA 1978 (being Laws 1968, Chapter 43, Section 1, as amended) is amended to read:

"15-3B-3. [PROPERTY CONTROL] FACILITIES MANAGEMENT

DIVISION--CREATION--DIRECTOR.--The "[property control]

facilities management division" is created within the department. The director shall be appointed by the secretary with the governor's consent."

**SECTION 18.** Section 15-3B-7.1 NMSA 1978 (being Laws .191953.2

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2001, Chapter 196, Section 1) is amended to read:

"15-3B-7.1. STATE BUILDINGS--USE IN MOTION PICTURES.--The [property control] facilities management division of the general services department shall provide for the free access to state buildings by the motion picture industry."

SECTION 19. Section 15-3B-21 NMSA 1978 (being Laws 2009, Chapter 145, Section 1) is amended to read:

"15-3B-21. HEALTH AND HUMAN SERVICES OFFICE BUILDING. --

Subject to the provisions of this section, the [property control] facilities management division of the general services department, after consulting with the human services department and the children, youth and families department and on behalf of those departments, shall:

enter into agreements necessary for the land acquisition, if necessary, and the planning, designing, constructing, equipping and furnishing of a new health and human services office building in the county or municipality of Santa Fe that will serve as the first phase of the health and human services office complex and be occupied by the human services department and the children, youth and families department, provided that, in entering into the agreements, the division shall consider state and private land acquisition options, including potential trades of land; and

> enter into a lease purchase agreement (2)

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with the owner of the building for the leasing of the building by the [property control] facilities management division with an option to purchase for a price that is reduced according to the payments made pursuant to the agreement; provided that the lease purchase agreement shall:

(a) specify the principal, interest and maintenance component of each payment made, provided further that: 1) the initial principal shall not exceed eighty million dollars (\$80,000,000); and 2) the net effective interest rate shall not exceed the maximum permitted by the Public Securities Act;

(b) provide that there is no legal obligation for the [property control] facilities management division to continue the lease from year to year or to purchase the building;

- (c) provide that the lease shall be terminated if sufficient appropriations are not available to meet the current lease payments;
- (d) provide that the lease payments include a maintenance component that shall escalate annually and, over the length of the agreement, approximate the amount that will be needed for the maintenance and repair of the building; and
- (e) provide that if the building is purchased, title to the building shall be issued in the name .191953.2

of the [property control] facilities management division.

- B. The [property control] facilities management division shall enter into such financing arrangements as are necessary to construct, occupy and acquire the building by the most cost-effective method and, if the division determines that the issuance of lease purchase revenue bonds by the New Mexico finance authority pursuant to Section 6-21-6.14 NMSA 1978 is the most cost-effective financing arrangement, the New Mexico finance authority is authorized to:
- (1) issue bonds, in an amount not to exceed eighty million dollars (\$80,000,000), pursuant to that section;
- (2) include a maintenance component as part of the lease payments received; and
- (3) use a portion of the net proceeds from the sale of the bonds for debt service payments that are due before sufficient lease payments have been deposited into the debt service fund.
- C. No contract or financing arrangement entered into pursuant to Subsection A or B of this section shall be effective until approved by the attorney general for legal sufficiency.
- D. Neither a request for proposals shall be issued pursuant to Subsection A or B of this section nor a .191953.2

contract entered into pursuant to those subsections without prior review by the capitol buildings planning commission to ensure that:

- (1) the request for proposals or the contract is the most cost-effective method for acquiring the building; and
- (2) the building and its proposed use are within the scope of the commission's master plan.
- E. The [property control] facilities management division shall enter into subleases with the human services department and the children, youth and families department for the lease of office space within the building, provided that the payments made under the subleases shall equal the payments due by the [property control] facilities management division under the lease purchase agreement. The [property control] facilities management division may also sublease available space within the building to any state agency if:
- (1) the space subject to an existing sublease has been reduced by agreement between the [property control] facilities management division and the existing sublessee;
- (2) the previous sublease for the available space has been terminated due to the failure of the sublessee to obtain appropriations or otherwise receive the money necessary for making the lease payments; or

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- the previous sublessee of the available (3) space has been relocated by an act of the legislature.
- Notwithstanding any provision restricting F. budget adjustments, upon the certification by the director of the [property control] facilities management division that the building is completed and suitable for occupancy, the secretary of finance and administration may transfer between and among the categories and programs of the current operating budget of each agency that will occupy the building any unexpended or unencumbered appropriation for lease payments or building maintenance. The transferred appropriations shall be expended by the [property control] facilities management division for lease payments due pursuant to the lease purchase agreement.
- During the term of the lease purchase agreement, each sublessee shall include, in its annual budget request, the amount due under its sublease during the next fiscal year, and the sublessee and the [property control] facilities management division shall use their best efforts to secure the appropriation."

**SECTION 20.** Section 15-10-1 NMSA 1978 (being Laws 1997, Chapter 178, Section 5, as amended) is amended to read:

- "15-10-1. CAPITOL BUILDINGS PLANNING COMMISSION CREATED. --
- The "capitol buildings planning commission" is .191953.2

created. The commission shall be composed of four members of the legislature, two from each house, appointed by the New Mexico legislative council, the secretary of general services or the secretary's designee, the state treasurer or the state treasurer's designee, the secretary of transportation or the secretary's designee, the secretary of cultural affairs or the secretary's designee, the secretary of finance and administration or the secretary's designee, the commissioner of public lands or the commissioner's designee and the chair of the supreme court building commission or the chair's designee.

## B. The commission shall:

- (1) study and plan for the long-range facilities needs of state government in the greater metropolitan areas of Las Cruces, Santa Fe and Albuquerque and, after developing an initial master plan for the state facilities in those areas, conduct a review of state properties throughout the state for the development of an overall master plan;
- (2) review proposed lease-purchase agreements pursuant to Section 15-10-2 NMSA 1978;
- (3) work with the general services
  department and other state agencies in developing
  recommendations for addressing deferred maintenance on state
  facilities and disposal strategies for aging facilities no

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longer able to serve their mission; and

- (4) utilizing life cycle costing, work with the general services department in developing recommendations regarding whether the state should lease, lease-purchase or purchase needed additional facilities.
- C. The legislative council service shall provide staff for the commission in coordination with the staff architect and other staff of the [property control] facilities management division of the general services department.
- D. The commission shall meet regularly and shall report annually to the legislature on an annual update of the master plan for the long-range facilities needs of state government in the greater metropolitan areas of Las Cruces, Santa Fe and Albuquerque and throughout the state."

SECTION 21. Section 19-12-12 NMSA 1978 (being Laws 1959, Chapter 25, Section 14, as amended) is amended to read:

"19-12-12. CONTRACT FOR MAINTENANCE.--The commissioner of public lands is authorized to contract with the [building services] facilities management division of the general services department on a cost basis for the maintenance of the lands and buildings acquired under the provisions of the Land Office Building Act."

SECTION 22. Section 22-2B-3 NMSA 1978 (being Laws 1993, Chapter 232, Section 3, as amended) is amended to read:
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## "22-2B-3. REGIONAL EDUCATION COOPERATIVES AUTHORIZED. --

The department may authorize the existence and operation of "regional education cooperatives". Upon authorization by the department, local school boards may join with other local school boards or other state-supported educational institutions to form cooperatives to provide education-related services. Cooperatives shall be deemed individual state agencies administratively attached to the department; provided that:

- pursuant to the rules of the department, (1) cooperatives may own, and have control and management over, buildings and land independent of the director of the [property control] facilities management division of the general services department;
- cooperatives shall not submit budgets to the department of finance and administration but shall submit them to the department. The department shall, by rule, determine the provisions of the Public School Finance Act relating to budgets and expenditures that are applicable to cooperatives; and
- pursuant to the rules of the department, the secretary may, after considering the factors specified in Section 22-8-38 NMSA 1978, designate a cooperative council as a board of finance with which all funds appropriated or distributed to it shall be deposited. If such a designation

is not made or if such a designation is suspended by the secretary, the money appropriated or to be distributed to a cooperative shall be deposited with the state treasurer. Unexpended or unencumbered balances in the account of a cooperative shall not revert.

- B. The department shall, by rule, establish minimum criteria for the establishment and operation of cooperatives. The department shall also establish procedures for oversight of cooperatives to ensure compliance with department rule. Cooperatives shall be exempt from the provisions of the Personnel Act.
- C. With council approval, a cooperative may provide revenue-generating education-related services to nonmembers, so long as those services do not detract from the cooperative's ability to fulfill its responsibilities to its members.
- D. With council approval, a cooperative may apply for and receive public and private grants as well as gifts, donations, bequests and devises and use them to further the purposes and goals of the cooperative.
- E. Each cooperative shall cooperate with the department as required by federal-state plans or department rules in the effectuation and administration of its educational programs. Each cooperative shall submit reports to the department at such times and in such form as required

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by department rule. Reports shall include an evaluation of the effectiveness of the technical assistance and other services provided to members of the cooperative and any nonmember public and private entities to which the cooperative provided educational services. The reports and evaluations submitted pursuant to this subsection shall be made available upon request to the legislative education study committee and the legislative finance committee."

SECTION 23. Section 33-1-17 NMSA 1978 (being Laws 1985, Chapter 149, Section 1, as amended) is amended to read:

# "33-1-17. PRIVATE CONTRACT.--

A. The corrections department may contract for the operation of any adult female facility or for housing adult female inmates in a private facility with a person or entity in the business of providing correctional or jail services to government entities.

- B. The corrections department may contract with a person or entity in the business of providing correctional or jail services to government entities for:
- (1) a correctional facility in Guadalupe county of not less than five hundred fifty and not more than two thousand two hundred beds;
- (2) a correctional facility in Lea, Chaves or Santa Fe county of not less than one thousand two hundred and not more than two thousand two hundred beds;

- (3) design and construction of a support services building, a laundry and an infirmary at the penitentiary of New Mexico in Santa Fe; or
- (4) construction of a public facility to house a special incarceration alternative program for adult male and adult female felony offenders.
- C. The authorization in Subsection B of this section for a correctional facility in Guadalupe county and a correctional facility in Lea, Chaves or Santa Fe county is contingent upon construction of both facilities, so that one of the facilities shall not be constructed unless both of the facilities are constructed, as nearly as practicable, simultaneously.
- D. The <u>corrections</u> department shall solicit proposals and award any contract under this section in accordance with the provisions of the Procurement Code. The contract shall include such terms and conditions as the <u>corrections</u> department may require after consultation with the general services department; provided that the terms and conditions shall include provisions:
- (1) setting forth comprehensive standards for conditions of incarceration;
- (2) that the contractor assumes all liability caused by or arising out of all aspects of the provision or operation of the facility;

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- for liability insurance or other proof (3) of financial responsibility acceptable to the general services department covering the contractor and its officers, employees and agents in an amount sufficient to cover all liability caused by or arising out of all aspects of the provision or operation of the facility;
- for termination for cause upon ninety days' notice to the contractor for failure to meet contract provisions when such failure seriously affects the availability or operation of the facility;
- that venue for the enforcement of the (5) contract shall be in the district court for Santa Fe county;
- that continuation of the contract is (6) subject to the availability of funds; and
- that compliance with the contract shall be monitored by the corrections department and the contract may be terminated for noncompliance.
- When the contractor begins operation of a facility for which private contractor operation is authorized, [his] the contractor's employees performing the functions of correctional officers shall be deemed correctional officers for the purposes of Sections 33-1-10 and 33-1-11 NMSA 1978 but for no other purpose of state law, unless specifically stated.
- Any contract awarded pursuant to this section .191953.2

may include terms to provide for the renovation of the facility or for the construction of new buildings. Work performed pursuant to such terms and conditions shall not be considered a capital project [as defined in Section 15-3-23.3 NMSA 1978] or a state public works project as defined in Section 13-1-91 NMSA 1978 nor shall it be subject to the requirements of Section 13-1-150 NMSA 1978 [or of the Capital Program Act], review by the staff architect of the [property control] facilities management division of the general services department [pursuant to Section 15-3-20 NMSA 1978] or regulation by the director of that division pursuant to Section [15-3-11] 15-3B-6 NMSA 1978.

G. Any contract entered into by the corrections department with a private contractor to operate an existing facility shall include a provision securing the right of all persons employed by that facility prior to the effective date of that contract to be employed by that contractor in any position for which they qualify before that position is offered to any person not employed by that facility prior to that date."

SECTION 24. Section 33-1A-1 NMSA 1978 (being Laws 1983, Chapter 186, Section 1) is amended to read:

"33-1A-1. LEASE OF REAL PROPERTY FOR CORRECTIONAL

FACILITY HOUSING.--The [property control] facilities

management division of the general services department [of
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finance and administration] is authorized to lease a portion of the real property of the state on which a correctional facility is located, but not to include Grants, New Mexico, for a period not to exceed twenty-five years, to a private entity in consideration for the construction on [such] the real property of low-rent housing units for correctional officers of the corrections department, their families and such other corrections department personnel or other state employees as the secretary of corrections may designate; provided [such] the low-rent housing units [shall not be] are rented only to [non-state] state employees."

SECTION 25. Section 33-1A-2 NMSA 1978 (being Laws 1983, Chapter 186, Section 2) is amended to read:

"33-1A-2. LONG-TERM LEASE OF CORRECTIONAL FACILITY
HOUSING BY [PROPERTY CONTROL] FACILITIES MANAGEMENT
DIVISION--SUBLEASE TO CORRECTIONAL OFFICERS AND OTHERS.--In
connection with and as part of the real property lease
authorized in Section [1 of this act] 33-1A-1 NMSA 1978, the
[property control] facilities management division of the
general services department is authorized to negotiate and
execute a long-term lease, for a period not to exceed twentyfive years, of the low-rent housing units constructed
pursuant to [this act] Chapter 33, Article 1A NMSA 1978 and
to sublease them to correctional officers of the corrections
department, their families and such other department

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personnel or other state employees as the secretary of corrections may designate."

SECTION 26. Section 33-1A-3 NMSA 1978 (being Laws 1983, Chapter 186, Section 3) is amended to read:

"33-1A-3. LONG-TERM CORRECTIONAL FACILITY HOUSING LEASE SUSPENSE FUND ESTABLISHED. -- The [property control] facilities management division of the general services department shall establish a schedule of sublease rental fees for the low-rent housing units constructed pursuant to [this act] Chapter 33, Article 1A NMSA 1978. Sublease rental fee payments shall be paid to the general services department [of finance and administration] and deposited in the "long-term correctional facility housing lease suspense fund", hereby established, which shall be administered by the secretary of [finance and administration] general services or [his] the secretary's designee. Payments shall be made from the long-term correctional facility housing lease suspense fund to satisfy the long-term correctional facility housing lease terms, including rent, maintenance and replacement costs, insurance, management fees, taxes and all applicable costs. No other fund shall be liable for or available to satisfy the longterm correctional facility housing lease authorized in [this act] Chapter 33, Article 1A NMSA 1978."

SECTION 27. Section 33-1A-4 NMSA 1978 (being Laws 1983, Chapter 186, Section 4) is amended to read:

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## "33-1A-4. LEASE TERMS.--

Upon expiration of the long-term housing lease, the low-rent housing units constructed pursuant to [this act] Chapter 33, Article 1A NMSA 1978 shall become the exclusive property of the state, free of any encumbrances of any kind arising from the construction or leasing of [such] the housing units.

- The low-rent housing units constructed pursuant to [this act] Chapter 33, Article 1A NMSA 1978 shall conform to all applicable building codes, and the plans and specifications for [such] the housing units shall be approved by the [property control] facilities management division of the general services department prior to commencement of construction.
- С. The state shall be indemnified against any judgment awarding monetary damages due to the construction or safety of the low-rent housing units constructed pursuant to [this act] Chapter 33, Article 1A NMSA 1978."

Section 33-1A-5 NMSA 1978 (being Laws 1983, SECTION 28. Chapter 186, Section 5) is amended to read:

"33-1A-5. BOARD OF FINANCE APPROVAL.--No lease of lowrent housing units constructed pursuant to [this act] Chapter 33, Article  $1\underline{A}$  NMSA 1978 shall be binding against the [property control] facilities management division of the general services department until it has been approved by the .191953.2

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state board of finance."

SECTION 29. TEMPORARY PROVISION -- TRANSFER OF FUNCTIONS, PERSONNEL, PROPERTY, CONTRACTS AND REFERENCES IN LAW--BUILDING SERVICES DIVISION TO FACILITIES MANAGEMENT DIVISION. -- On July 1, 2013:

all functions, personnel, appropriations, money, records, equipment, supplies and other property of the building services division of the general services department shall be transferred to the facilities management division of the general services department;

- all contracts of the building services division of the general services department shall be binding and effective on the facilities management division of the general services department; and
- all references in law to the building services division of the general services department shall be deemed to be references to the facilities management division of the general services department.

SECTION 30. TEMPORARY PROVISION -- TRANSFER OF FUNCTIONS, PERSONNEL, PROPERTY, CONTRACTS AND REFERENCES IN LAW--PROPERTY CONTROL DIVISION TO FACILITIES MANAGEMENT DIVISION.--On July 1, 2013:

all functions, personnel, appropriations, money, records, equipment, supplies and other property of the property control division of the general services department .191953.2

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shall be transferred to the facilities management division of the general services department;

- B. all contracts of the property control division of the general services department shall be binding and effective on the facilities management division of the general services department; and
- C. all references in law to the property control division of the general services department shall be deemed to be references to the facilities management division of the general services department.

SECTION 31. REPEAL.--Section 15-11-1 NMSA 1978 (being Laws 2001, Chapter 108, Section 1) is repealed.

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