

1 SENATE BILL 253

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

3 INTRODUCED BY

4 Cisco McSorley

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10 AN ACT

11 AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS FOR REPAIRS AND
12 REHABILITATION OF STATE PRISONS THROUGHOUT THE STATE; MAKING AN
13 APPROPRIATION.

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

16 SECTION 1. SEVERANCE TAX BONDS--AUTHORIZATION--
17 APPROPRIATION OF PROCEEDS.--

18 A. The state board of finance may issue and sell
19 severance tax bonds in compliance with the Severance Tax
20 Bonding Act in an amount not to exceed two hundred million
21 dollars (\$200,000,000) for repairs and rehabilitation of state
22 prisons throughout the state. The state board of finance shall
23 schedule the issuance and sale of the bonds in the most
24 expeditious and economical manner possible upon a finding by
25 the board that the project has been developed sufficiently to

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1 justify the issuance and that the project can proceed to
2 contract within a reasonable time. The state board of finance
3 shall further take the appropriate steps necessary to comply
4 with the federal Internal Revenue Code of 1986, as amended.
5 Proceeds from the sale of the bonds are appropriated to the
6 capital program fund for the purpose specified in this section.

7 B. The general services department shall certify to
8 the state board of finance when the money from the proceeds of
9 the severance tax bonds appropriated in this section is needed
10 for the purposes specified in this section. If the department
11 has not certified the need for severance tax bond proceeds for
12 the project by the end of fiscal year 2018, the authorization
13 for that project is void.

14 C. Before the general services department may
15 certify for the need of severance tax bond proceeds, the
16 project must be developed sufficiently so that the agency
17 reasonably expects to:

18 (1) incur within six months after the
19 applicable bond proceeds are available for the project a
20 substantial binding obligation to a third party to expend at
21 least five percent of the bond proceeds for the project; and

22 (2) spend at least eighty-five percent of the
23 bond proceeds within three years after the applicable bond
24 proceeds are available for the project.

25 D. The unexpended balance from the proceeds of

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1 severance tax bonds appropriated in this section shall revert
2 to the severance tax bonding fund no later than six months
3 after completion of the project, but no later than the end of
4 fiscal year 2020.

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