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AN ACT

RELATING TO STATE EXPENDITURES; REDUCING APPROPRIATIONS IN THE GENERAL APPROPRIATION ACT OF 2015, IN THE GENERAL APPROPRIATION ACT OF 2016 AND IN LAWS 2016, CHAPTER 1; ALLOWING FOR FISCAL YEAR 2017 GENERAL FUND APPROPRIATION REDUCTIONS; TRANSFERRING MONEY FROM FUNDS AND ACCOUNTS TO THE FISCAL YEAR 2017 APPROPRIATION ACCOUNT AND THE OPERATING RESERVE ACCOUNT OF THE GENERAL FUND; DEDICATING LOCAL ECONOMIC DEVELOPMENT ACT FUNDING TO A ROSWELL INTERNATIONAL AIR CENTER; MAKING APPROPRIATIONS.

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

SECTION 1. GENERAL APPROPRIATION ACT OF 2015 APPROPRIATION REDUCTION--LOCAL ECONOMIC DEVELOPMENT ACT PROJECT FUNDING.--

~~A. Four million dollars (\$4,000,000) of the general fund appropriation to the economic development department in Item (21) of Section 5 of the General Appropriation Act of 2015 for projects pursuant to the Local Economic Development Act shall not be expended for the original purpose but shall revert to the general fund.~~

B. Only if the reduction in Subsection A of this section is effected, two million dollars (\$2,000,000) of the money appropriated from the general fund to the economic development department in Item (21) of Section 5 of the

1 General Appropriation Act of 2015 for projects pursuant to
2 the Local Economic Development Act shall be used to improve
3 infrastructure at the Roswell international air center in
4 Chaves county to enhance commercial operations.

5 SECTION 2. A new section of the General Appropriation
6 Act of 2016 is enacted to read:

7 "2016 APPROPRIATION REDUCTIONS.--The following general
8 fund appropriations in Section 4 of the General Appropriation
9 Act of 2016 are reduced as follows:

10 ~~A. to the taxation and revenue department tax~~
11 ~~administration program in the personal services and employee~~
12 ~~benefits category, by two million five hundred thousand~~
13 ~~dollars (\$2,500,000);~~

14 ~~B. to the taxation and revenue department motor~~
15 ~~vehicle program in the personal services and employee~~
16 ~~benefits category, by one million six hundred thousand~~
17 ~~dollars (\$1,600,000);~~

18 ~~C. to the department of public safety law~~
19 ~~enforcement program in the personal services and employee~~
20 ~~benefits category, by five million dollars (\$5,000,000);~~

21 D. to the public education department special
22 appropriations made in Items (a) through (d), (f) through (i)
23 and (l) through (t), by six million dollars (\$6,000,000) in
24 the aggregate; and

25 E. to the public education department special

1 appropriations made in Items (a) through (t), by two million
2 dollars (\$2,000,000) in the aggregate."

3 ~~SECTION 3. A new section of the General Appropriation~~
4 ~~Act of 2016 is enacted to read:~~

5 ~~"FISCAL YEAR 2017 OPERATING BUDGET AND ALLOTMENT~~
6 ~~ADJUSTMENTS.--~~

7 ~~A. For the remainder of fiscal year 2017, the~~
8 ~~department of finance and administration shall regularly~~
9 ~~consult with the legislative finance committee staff to~~
10 ~~compare revenue collections with the revenue estimate. If~~
11 ~~the general fund consensus revenue forecast projects that~~
12 ~~revenue and transfers to the general fund, including all~~
13 ~~transfers authorized by Section 13 of the General~~
14 ~~Appropriation Act of 2016, will be insufficient to meet~~
15 ~~fiscal year 2017 general fund appropriations, the governor,~~
16 ~~with the approval of the state board of finance and after~~
17 ~~review and an opportunity to comment by the legislative~~
18 ~~finance committee, shall reduce fiscal year 2017 general fund~~
19 ~~appropriations by up to one percent of the total amount of~~
20 ~~those appropriations, in accordance with the following~~
21 ~~provisions:~~

22 ~~(1) the reductions shall apply to all~~
23 ~~agencies, funds, programs and other recipients and to all~~
24 ~~programs and categories within agencies that receive a~~
25 ~~general fund appropriation in Section 4 of the General~~

1 ~~Appropriation Act of 2016 and in Subsection A of Section 3~~
2 ~~and Sections 4, 5, 7 and 8 of Chapter 1 of Laws 2016, except~~
3 ~~that no reductions shall be made to the general fund~~
4 ~~operating budgets of the medical assistance program or the~~
5 ~~medicaid behavioral health program of the human services~~
6 ~~department or to the developmental disabilities support~~
7 ~~program of the department of health;~~

8 ~~(2) except as provided in Paragraph (3) of~~
9 ~~this subsection, the reductions to appropriations in~~
10 ~~Section 4 of the General Appropriation Act of 2016 shall~~
11 ~~apply proportionately to each agency, fund, program and other~~
12 ~~recipient based on the agency's, fund's, program's and other~~
13 ~~recipient's share of the total amount of fiscal year 2017~~
14 ~~general fund appropriations; and~~

15 ~~(3) the reductions to legislative~~
16 ~~appropriations shall, in the aggregate, be proportionate to~~
17 ~~those appropriations' share of the total amount of fiscal~~
18 ~~year 2017 general fund appropriations, but, among individual~~
19 ~~legislative appropriations, shall be in a proportion that the~~
20 ~~New Mexico legislative council determines.~~

21 ~~B. The department of finance and administration~~
22 ~~shall reduce and otherwise adjust the general fund allotments~~
23 ~~of all agencies, funds, programs and other recipients in~~
24 ~~accordance with the reductions applied under this section.~~

25 ~~C. As used in this section:~~

1 ~~(1) "fiscal year 2017 general fund~~
2 ~~appropriations" means the sum of all general fund~~
3 ~~appropriations in Section 4 of the General Appropriation Act~~
4 ~~of 2016, as reduced by Laws 2016 (2nd S.S.), Chapter 6,~~
5 ~~Section 2, and in Subsection A of Section 3 and Sections 4,~~
6 ~~5, 7 and 8 of Chapter 1 of Laws 2016, as reduced by~~
7 ~~Section 11 of the General Appropriation Act of 2016 and by~~
8 ~~Laws 2016 (2nd S.S.), Chapter 6, Section 1; and~~

9 ~~(2) "general fund consensus revenue~~
10 ~~forecast" means the revenue estimates prepared at the end of~~
11 ~~the 2017 legislative session by the career economists of the~~
12 ~~department of finance and administration, taxation and~~
13 ~~revenue department, department of transportation and~~
14 ~~legislative finance committee."~~

15 ~~SECTION 4. FISCAL YEAR 2017--APPROPRIATIONS.--~~

16 ~~Notwithstanding any restriction on the use of money from the~~
17 ~~source, the following amounts are appropriated from the~~
18 ~~following sources for expenditure in fiscal year 2017, and~~
19 ~~any unexpended or unencumbered balance remaining at the end~~
20 ~~of fiscal year 2017 shall revert to the source:~~

21 ~~A. two million five hundred thousand dollars~~
22 ~~(\$2,500,000) from the state road fund to the taxation and~~
23 ~~revenue department tax administration program in the personal~~
24 ~~services and employee benefits category;~~

25 ~~B. one million six hundred thousand dollars~~

1 ~~(\$1,600,000) from the motor vehicle suspense fund to the~~
2 ~~taxation and revenue department motor vehicle program in the~~
3 ~~personal services and employee benefits category; and~~

4 ~~C. five million dollars (\$5,000,000) from the~~
5 ~~state road fund to the department of public safety law~~
6 ~~enforcement program in the personal services and employee~~
7 ~~benefits category.~~

8 SECTION 5. FUND AND OTHER ACCOUNT TRANSFERS AND
9 REVERSIONS TO GENERAL FUND--FISCAL YEAR 2017.--

10 Notwithstanding any restriction on the use of money in the
11 funds or accounts, the following amounts from the following
12 funds or accounts are transferred to the fiscal year 2017
13 appropriation account of the general fund:

14 ~~A. two million nine hundred thousand dollars~~
15 ~~(\$2,900,000) from the state infrastructure bank;~~

16 B. six million five hundred thousand dollars
17 (\$6,500,000) from the rural infrastructure revolving loan
18 fund;

19 ~~C. four million dollars (\$4,000,000) from~~
20 ~~appropriations made in Laws 2006, Chapter 111, Section 65,~~
21 ~~Laws 2007, Chapter 42, Section 86 and Laws 2008, Chapter 92,~~
22 ~~Section 72 to the wastewater facility construction loan fund;~~

23 ~~D. four million dollars (\$4,000,000) from the~~
24 ~~enhanced 911 fund;~~

25 E. two million dollars (\$2,000,000) from the

1 day-care fund;

2 F. one million six hundred forty-nine thousand
3 four hundred fifty-eight dollars (\$1,649,458) from the
4 balance of distributions from the cigarette tax made in
5 accordance with Subsection F of Section 7-1-6.11 NMSA 1978;

6 G. two million seventy-three thousand one hundred
7 dollars (\$2,073,100) from the oil and gas accounting suspense
8 fund administered by the taxation and revenue department;

9 H. ten million dollars (\$10,000,000) from amounts
10 reserved for risk-related coverage in the public school
11 insurance fund;

12 I. ten million dollars (\$10,000,000) from the
13 public liability fund;

14 J. one million five hundred thousand dollars
15 (\$1,500,000) from the state transportation pool account of
16 the general services department;

17 K. six hundred ninety-nine thousand three hundred
18 dollars (\$699,300) from the public property reserve fund;

19 L. one million two hundred thirteen thousand seven
20 hundred dollars (\$1,213,700) from the insurance licensee
21 continuing education fund;

22 M. seven hundred eighty-four thousand two hundred
23 dollars (\$784,200) from the insurance fraud fund;

24 N. two hundred two thousand six hundred dollars
25 (\$202,600) from the title insurance maintenance assessment

1 fund;

2 O. seven hundred three thousand seven hundred
3 dollars (\$703,700) from the New Mexico medical board fund;

4 P. one million dollars (\$1,000,000) from the
5 New Mexico livestock board general fund;

6 Q. one million two hundred fifty thousand dollars
7 (\$1,250,000) from the workers' compensation administration
8 fund;

9 R. three million two hundred eighty-two thousand
10 seven hundred dollars (\$3,282,700) from the corrective action
11 fund;

12 S. two million six hundred thirty-five thousand
13 six hundred dollars (\$2,635,600) from the state air quality
14 permit fund;

15 T. four hundred thousand dollars (\$400,000) from
16 the radiation protection fund;

17 U. two hundred thousand dollars (\$200,000) from
18 the tire recycling fund;

19 V. one hundred fifty thousand dollars (\$150,000)
20 from the storage tank fund;

21 W. three hundred eighty-three thousand dollars
22 (\$383,000) from the hazardous waste emergency fund;

23 X. two hundred eighty-five thousand dollars
24 (\$285,000) from the public water supply system operator and
25 public wastewater facility operator fund;

1 Y. three hundred thirteen thousand dollars
2 (\$313,000) from the concealed handgun carry fund; and

3 ~~Z. two million twenty-three thousand four hundred~~
4 ~~dollars (\$2,023,400) from the natural resources trustee fund.~~

5 SECTION 6. Section 6-4-9 NMSA 1978 (being Laws 1999,
6 Chapter 207, Section 1, as amended) is amended to read:

7 "6-4-9. TOBACCO SETTLEMENT PERMANENT FUND--INVESTMENT--
8 DISTRIBUTION.--

9 A. The "tobacco settlement permanent fund" is
10 created in the state treasury. The fund shall consist of
11 money distributed to the state pursuant to the master
12 settlement agreement entered into between tobacco product
13 manufacturers and various states, including New Mexico, and
14 executed November 23, 1998 or any money released to the state
15 from a qualified escrow fund or otherwise paid to the state
16 as authorized by Section 6-4-13 NMSA 1978, enacted pursuant
17 to the master settlement agreement or as otherwise authorized
18 by law. Money in the fund shall be invested by the state
19 investment officer in accordance with the limitations in
20 Article 12, Section 7 of the constitution of New Mexico.
21 Income from investment of the fund shall be credited to the
22 fund. Money in the fund shall not be expended for any
23 purpose, except as provided in this section.

24 B. In fiscal year 2007 and in each fiscal year
25 thereafter, an annual distribution shall be made from the

1 tobacco settlement permanent fund to the tobacco settlement
2 program fund of an amount equal to fifty percent of the total
3 amount of money distributed to the tobacco settlement
4 permanent fund in that fiscal year until that amount is less
5 than an amount equal to four and seven-tenths percent of the
6 average of the year-end market values of the tobacco
7 settlement permanent fund for the immediately preceding five
8 calendar years. Thereafter, the amount of the annual
9 distribution shall be four and seven-tenths percent of the
10 average of the year-end market values of the tobacco
11 settlement permanent fund for the immediately preceding five
12 calendar years. In the event that the actual amount
13 distributed to the tobacco settlement program fund in a
14 fiscal year is insufficient to meet appropriations from that
15 fund for that fiscal year, the secretary of finance and
16 administration shall proportionately reduce each
17 appropriation accordingly.

18 C. In addition to the distribution made pursuant
19 to Subsection B of this section, in fiscal years 2009 through
20 2013 and 2016, the remaining fifty percent of the total
21 amount of money distributed to the tobacco settlement
22 permanent fund in that fiscal year shall be distributed from
23 the tobacco settlement permanent fund to the tobacco
24 settlement program fund.

25 D. In addition to the distribution made pursuant

1 to Subsections B and E of this section, in fiscal year 2014,
2 twenty-five percent of the total amount of money distributed
3 pursuant to the master settlement agreement to the tobacco
4 settlement permanent fund in that fiscal year shall be
5 distributed from the tobacco settlement permanent fund to the
6 lottery tuition fund.

7 E. In addition to the distribution made pursuant
8 to Subsections B and D of this section, in fiscal year 2014,
9 twenty-five percent of the total amount of money distributed
10 to the tobacco settlement permanent fund in that fiscal year
11 shall be distributed from the tobacco settlement permanent
12 fund to the tobacco settlement program fund for appropriation
13 for direct services provided by early childhood care and
14 education programs administered by the children, youth and
15 families department.

16 F. The tobacco settlement permanent fund is a
17 reserve fund of the state. Money in the tobacco settlement
18 permanent fund may be expended:

19 (1) in the event that general fund balances,
20 including all authorized revenues and transfers to the
21 general fund and balances in the general fund operating
22 reserve, the appropriation contingency fund and the tax
23 stabilization reserve, will not meet the level of
24 appropriations authorized from the general fund for a fiscal
25 year. In that event, in order to avoid an unconstitutional

1 deficit, the legislature may authorize a transfer from the
2 tobacco settlement permanent fund to the general fund but
3 only in an amount necessary to meet general fund
4 appropriations; or

5 (2) as provided in Laws 2016 (2nd S.S.),
6 Chapter 4, Section 2 and in Section 7 of this 2017 act."

7 SECTION 7. TOBACCO SETTLEMENT PERMANENT FUND TRANSFER
8 TO THE GENERAL FUND--FISCAL YEAR 2017.--The governor, with
9 state board of finance approval, may, in addition to the
10 transfer authorized by Laws 2016 (2nd S.S.), Chapter 4,
11 Section 2, transfer from the tobacco settlement permanent fund
12 to the operating reserve account of the general fund an amount
13 up to the amount remaining in the fund, less the total amount
14 appropriated in Section 4 of the General Appropriation Act of
15 2016 from the tobacco settlement program fund, as necessary to
16 meet the appropriations authorized by law from the general
17 fund for fiscal year 2017. _____