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HOUSE BILL 6

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2017

INTRODUCED BY

Jimmie C. Hall

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF
SHORT-TERM SUPPLEMENTAL SEVERANCE TAX BONDS TO RESTORE PAST
GENERAL FUND CAPITAL PROJECT APPROPRIATIONS; AUTHORIZING THE
ISSUANCE OF SEVERANCE TAX BONDS TO IMPLEMENT THE PUBLIC SCHOOL
CAPITAL OUTLAY ACT; MAKING APPROPRIATIONS; DECLARING AN
EMERGENCY.

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

SECTION 1. SHORT-TERM SUPPLEMENTAL SEVERANCE TAX BONDS--
APPROPRIATION OF PROCEEDS.--In fiscal year 2017, the state
board of finance may, in compliance with the Severance Tax
Bonding Act, issue and sell supplemental severance tax bonds
whose terms end on or before the end of the fiscal year in an
aggregate amount not to exceed seventy-one million dollars
(\$71,000,000) when the secretary of finance and administration

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1 certifies the need for the bonds. The state board of finance
2 shall issue and sell the bonds as expeditiously and
3 economically as possible and take the appropriate steps
4 necessary to comply with the federal Internal Revenue Code of
5 1986, as amended. Proceeds from the sale of the bonds are
6 appropriated to the general fund. The board of finance
7 division of the department of finance and administration shall
8 transfer the proceeds to the general fund for use by the
9 department in fiscal year 2017 to restore the allotments from
10 the general fund for capital project appropriations whose
11 expenditure periods end on or before June 30, 2016.

12 SECTION 2. SEVERANCE TAX BONDS--APPROPRIATION TO THE
13 PUBLIC SCHOOL CAPITAL OUTLAY FUND.--In fiscal years 2017 and
14 2018, the state board of finance may, in compliance with the
15 Severance Tax Bonding Act and upon certification by the public
16 school capital outlay council that the need exists for the
17 issuance of the bonds, issue and sell severance tax bonds in an
18 aggregate amount not to exceed seventy-one million dollars
19 (\$71,000,000). The state board of finance shall issue and sell
20 the bonds as expeditiously and economically as possible and
21 take the appropriate steps necessary to comply with the federal
22 Internal Revenue Code of 1986, as amended. Proceeds from the
23 sale of the bonds issued are appropriated for expenditure in
24 fiscal years 2018 through 2022 to the public school capital
25 outlay fund for use by the public school capital outlay council

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1 to implement the Public School Capital Outlay Act.
2 Notwithstanding the provisions of Subsection A of Section
3 22-24-4 NMSA 1978, the unexpended or unencumbered balance
4 remaining at the end of fiscal year 2022 shall revert to the
5 severance tax bonding fund.

6 SECTION 3. Section 7-27-12 NMSA 1978 (being Laws 1961,
7 Chapter 5, Section 10, as amended by Laws 2001, Chapter 37,
8 Section 1 and by Laws 2001, Chapter 338, Section 1) is amended
9 to read:

10 "7-27-12. WHEN SEVERANCE TAX BONDS TO BE ISSUED.--

11 A. The state board of finance shall issue and sell
12 all severance tax bonds when authorized to do so by any law
13 that sets out the amount of the issue and the recipient of the
14 money.

15 B. The state board of finance shall also issue and
16 sell severance tax bonds authorized by Sections 72-14-36
17 through 72-14-42 NMSA 1978, and such authority as has been
18 given to the interstate stream commission to issue and sell
19 such bonds is transferred to the state board of finance. The
20 state board of finance shall issue and sell all severance tax
21 bonds only when so instructed by resolution of the governing
22 body or by written direction from an authorized officer of the
23 recipient of the bond money.

24 C. Except as provided in Subsection D of this
25 section, proceeds from supplemental severance tax bonds shall

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1 be used only for public school capital outlay projects pursuant
2 to the Public School Capital Outlay Act or the Public School
3 Capital Improvements Act.

4 D. Proceeds from supplemental severance tax bonds
5 issued pursuant to Paragraph (2) of Subsection A of Section 19
6 of Chapter 6 of Laws 1999 (1st S.S.) and Section 1 of this 2017
7 act shall be used for the purposes specified in [~~that~~
8 ~~paragraph~~] those provisions.

9 E. Except as provided in Subsection F of this
10 section, the state board of finance shall issue and sell all
11 supplemental severance tax bonds when so instructed by
12 resolution of the public school capital outlay council pursuant
13 to Section 7-27-12.2 NMSA 1978.

14 F. The state board of finance shall issue and sell
15 the supplemental severance tax bonds authorized by:

16 (1) Paragraph (2) of Subsection A of Section
17 19 of Chapter 6 of Laws 1999 (1st S.S.) when so instructed by
18 resolution of the commission on higher education; and

19 (2) Section 1 of this 2017 act upon
20 certification by the secretary of finance and administration of
21 the need to use proceeds from those bonds as outlined in that
22 section."

23 SECTION 4. SEVERABILITY.--If, in this act, a specific
24 authorization to expend severance tax bond proceeds is held
25 invalid or otherwise cannot be effectuated, the remainder of

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1 the act and any other authorization to expend severance tax
2 bond proceeds shall not be affected.

3 SECTION 5. EMERGENCY.--It is necessary for the public
4 peace, health and safety that this act take effect immediately.