

HOUSE BILL 2

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2020

INTRODUCED BY

Patricia A. Lundstrom and Joseph L. Sanchez

This document incorporates amendments that have been adopted during the current legislative session. The document is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO PUBLIC FINANCE; VOIDING GENERAL FUND APPROPRIATIONS MADE FOR CERTAIN PROJECTS H AFC → , UNDER CERTAIN CIRCUMSTANCES ← H AFC ; AUTHORIZING THE ISSUANCE OF SHORT-TERM SEVERANCE TAX BONDS, SHORT-TERM SUPPLEMENTAL SEVERANCE TAX BONDS AND STATE TRANSPORTATION PROJECT BONDS; PROVIDING FOR CERTAIN TRANSFERS TO THE GENERAL FUND AND TO THE APPROPRIATION CONTINGENCY FUND FROM OTHER FUNDS; REPEALING LAWS 2020, CHAPTER 64, SECTIONS 1 THROUGH H AFC → 4 ← H AFC H AFC → 5 ← H AFC ; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

SECTION 1. REVERSION OF BALANCES FROM LAWS 2019 GENERAL FUND APPROPRIATIONS FOR CERTAIN CAPITAL PROJECTS.--

HAFc→~~Notwithstanding~~←HAFc HAFc→**Except as otherwise provided in Section 2 of this 2020 act,**←HAFc the requirements for reversion contained in Section 6-29-9 NMSA 1978 or in Laws 2019, Chapter 277, Section 1, on HAFc→**the date occurring ninety days after**←HAFc the effective date of this act, the unexpended or unencumbered balances of appropriations made from the general fund in Laws 2019, Chapter 277 to the following agencies for the following described projects shall revert to the general fund HAFc→,←HAFc and HAFc→~~, within thirty days of the effective date of this~~←HAFc HAFc→~~act,~~ ←HAFc the department of finance and administration shall transfer such unexpended or unencumbered balances to the general fund:

A. to the economic development department, one hundred thousand dollars (\$100,000) for upgrades and repairs to the mobile livestock slaughter unit for the Taos county economic development corporation in Taos county;

B. to the public education department:

(1) seventy-three thousand dollars (\$73,000) to plan, design, construct, renovate, demolish, furnish, equip and install improvements to science classrooms at East Mountain high school in the Albuquerque public school district in Bernalillo county;

(2) two hundred thousand dollars (\$200,000) to

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purchase and equip an activity bus for the Gadsden independent school district in Dona Ana county;

(3) ten thousand dollars (\$10,000) to plan, design, construct, purchase, renovate, furnish and equip improvements to the New America school-Las Cruces buildings and grounds, including information technology and related equipment, vehicles and infrastructure, in Las Cruces in Dona Ana county;

(4) ten thousand dollars (\$10,000) to plan, design, construct and equip an early childhood playground for the west Las Vegas public school district head start program in San Miguel county;

(5) thirty-five thousand dollars (\$35,000) to plan, design, construct, equip, furnish and install a Kiva outdoor classroom and seating area at Nina Otero community school in the Santa Fe public school district in Santa Fe county;

(6) ten thousand dollars (\$10,000) for development of an educational specification plan for alternative site facilities and to plan, design, construct, purchase and make improvements for permanent facilities at these sites in the Santa Fe public school district in Santa Fe county;

(7) ten thousand dollars (\$10,000) to acquire property and to plan, design and construct a school facility

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for the Tierra Encantada charter school in Santa Fe in Santa Fe county;

(8) thirty-five thousand dollars (\$35,000) to plan, design, construct, purchase, equip, furnish and install improvements to Kearny elementary school, including basketball court improvements and shade structures for the bus area and playgrounds, in the Santa Fe public school district in Santa Fe county;

(9) ten thousand dollars (\$10,000) to plan, design, construct, equip, furnish and install improvements to Mandela international magnet school, including the entrance and the main hall flooring, in the Santa Fe public school district in Santa Fe county;

(10) fifty thousand dollars (\$50,000) to purchase resources for the library at Milagro middle school in the Santa Fe public school district in Santa Fe county; and

(11) three hundred thousand dollars (\$300,000) to plan, design and construct a building for the Red River Valley charter school in Red River in Taos county;

C. to the department of environment:

(1) sixty thousand dollars (\$60,000) to plan, design and construct water system improvements for the Puerto de Luna mutual domestic water consumers and mutual sewage works association in Guadalupe county;

(2) two hundred fifty thousand dollars

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(\$250,000) to plan, design, construct, purchase and install water meters for the water system in Vaughn in Guadalupe county;

(3) six hundred thousand dollars (\$600,000) to plan, design, construct, purchase and equip wells and well houses for Carrizozo in Lincoln county;

(4) eighty-five thousand dollars (\$85,000) to plan, design and construct water system improvements for the Buena Vista mutual domestic water consumer's and sewage works association in Mora county;

(5) twenty-five thousand dollars (\$25,000) to plan, design and construct water system improvements for the Plaza Blanca mutual domestic water consumers association in Rio Arriba county;

(6) two hundred thousand dollars (\$200,000) to purchase, equip and install radio read meters for the Agua Sana water users association in Rio Arriba county;

(7) four hundred thousand dollars (\$400,000) to plan, design and construct a regional pipeline connection to the Flora Vista water system from the North Star domestic water consumers and mutual sewage works cooperative in San Juan county;

(8) five hundred thousand dollars (\$500,000) to plan, design and construct a water line extension from the Blanco mutual domestic water consumers and mutual sewage works

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association to the Turley and San Juan and Las Vegas communities in San Juan county;

(9) eighty thousand dollars (\$80,000) to plan, design and construct water system improvements for the Rowe mutual domestic water consumers association in San Miguel county;

(10) twenty-five thousand dollars (\$25,000) to plan, design and construct water system improvements for the Rowe mutual domestic water consumers association in San Miguel county; and

(11) fifty thousand dollars (\$50,000) to plan, design and construct water system improvements for La Bajada mutual domestic water consumers association in Santa Fe county;

D. to the Indian affairs department:

(1) one hundred ninety thousand dollars (\$190,000) to plan, design, construct and equip the Laguna K'awaika community center in the Pueblo of Laguna in Cibola county;

(2) three hundred sixty thousand dollars (\$360,000) to plan, design, construct, furnish and equip an education complex, including a library, for the Pueblo of Santa Ana in Sandoval county; and

(3) twenty-five thousand dollars (\$25,000) to purchase furniture, information technology and equipment for the leadership institute at the Santa Fe Indian school in Santa

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Fe in Santa Fe county;

E. to the local government division of the department of finance and administration:

(1) one hundred seventy-five thousand dollars (\$175,000) to acquire property for a Crestview bluffs open space area and to match funds for a national park service land and water conservation fund grant for the purchase of Crestview bluffs in Bernalillo county;

(2) five hundred sixty thousand dollars (\$560,000) to plan, design, construct, furnish and equip buildings and infrastructure at the South Valley commons in Bernalillo county;

(3) seven thousand dollars (\$7,000) to purchase tools and equipment for a community bicycle recycling program in the Atrisco community and southwest area of Albuquerque in Bernalillo county;

(4) six hundred thousand dollars (\$600,000) to plan, design and construct phase 1 of the Cibola loop community complex, including a library and multigenerational center, in Albuquerque in Bernalillo county;

(5) seventy-five thousand dollars (\$75,000) to plan, design, construct, purchase, equip and install improvements, including heating, ventilation and air conditioning systems, at a community dental program in Albuquerque in Bernalillo county;

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(6) three hundred sixty thousand five hundred dollars (\$360,500) to acquire property and to plan, design and construct an urban green space along the Crestview bluff area off the Arenal drain from west Central avenue to Bridge boulevard both within and outside the city limits of Albuquerque in Bernalillo county;

(7) fifty thousand dollars (\$50,000) to plan, design, construct, equip and install electronic digital display signs in Albuquerque in Bernalillo county;

(8) twenty thousand dollars (\$20,000) to plan, design, construct, furnish and equip a covered accessible bus stop at Golf Course road serving southbound commuter route 92 at Homestead trail in Albuquerque in Bernalillo county;

(9) eight hundred twenty-three thousand eight hundred ninety-eight dollars (\$823,898) to plan, design, construct and renovate a facility for the Holocaust and Intolerance museum in Albuquerque in Bernalillo county;

(10) ninety-five thousand dollars (\$95,000) to furnish, equip and purchase information technology for a flamenco institute headquarters in Albuquerque in Bernalillo county;

(11) one hundred twenty-five thousand dollars (\$125,000) to plan, design, construct, renovate, furnish, equip and install phase 3 improvements, including a basketball court, to the Joan Jones community center in Albuquerque in Bernalillo

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county;

(12) one hundred forty-five thousand dollars (\$145,000) to purchase and install equipment and furnishings, including sound and audiovisual systems, seating, lighting, musical instruments and furniture, for a performance and art space in Albuquerque in Bernalillo county;

(13) one hundred thirty-five thousand dollars (\$135,000) to plan, design and equip construction of outdoor public murals in Albuquerque in Bernalillo county;

(14) fifty thousand dollars (\$50,000) to plan, design, construct and install route 66 signage at the Central avenue and Lomas boulevard intersection area in Albuquerque in Bernalillo county;

(15) one hundred five thousand dollars (\$105,000) to plan, design, construct, furnish and equip a driver's room at the Spanish Bit transit station in Albuquerque in Bernalillo county;

(16) four hundred ninety thousand dollars (\$490,000) to plan, design, construct, furnish and equip a bicycle repair education facility in Villela park in Albuquerque in Bernalillo county;

(17) two hundred forty thousand dollars (\$240,000) to purchase property for the development of a park near the Wells Park community center in Albuquerque in Bernalillo county;

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(18) one hundred thousand dollars (\$100,000) to acquire land for and to plan, design, construct and equip the Westgate little league complex in Albuquerque in Bernalillo county;

(19) sixty-eight thousand dollars (\$68,000) to plan, design, construct, install and equip a recreational vehicle park on the common lands of the Canon de Carnue land grant-merced in Bernalillo county;

(20) one hundred fifty thousand dollars (\$150,000) to plan, design and construct improvements, including heating, ventilation and air conditioning systems, to a community center in Vaughn in Guadalupe county;

(21) twenty thousand dollars (\$20,000) to plan, design, construct, renovate, purchase, equip and install improvements, including fencing, to a veterans memorial park in Mosquero in Harding county;

(22) two hundred forty thousand dollars (\$240,000) to plan, design, construct, furnish and equip improvements, including a new screen, projection equipment, seats, restrooms and a concession area, to the Chief theater in Mora county;

(23) thirty-eight thousand dollars (\$38,000) to plan, design, construct and equip a rural electric vehicle charging network for the Greentree solid waste authority and the Mescalero Apache Tribe in Lincoln and Otero counties;

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(24) one hundred eighty-five thousand dollars (\$185,000) to purchase property and to plan, design and construct new recreational spaces and trails in Espanola in Rio Arriba and Santa Fe counties;

(25) twelve thousand ninety-five dollars (\$12,095) to plan, design and construct improvements to the Sacramento mountains museum and pioneer village in Cloudcroft in Otero county;

(26) one hundred thousand dollars (\$100,000) to purchase and equip vehicles for the boys and girls club of Santa Fe/del norte in Rio Arriba county;

(27) fifty thousand dollars (\$50,000) to plan, design, construct, renovate, furnish and equip improvements to the Tecolote land grant-merced multipurpose center, including the roof and septic system, in San Miguel county;

(28) thirty thousand dollars (\$30,000) to plan and design improvements to a community park in Jemez Springs in Sandoval county;

(29) ninety-five thousand dollars (\$95,000) to plan, design, construct and equip a yurt for the Santa Fe mountain center youth and adult programs in Santa Fe county;

(30) eighty-four thousand five hundred dollars (\$84,500) to plan, design, construct and equip improvements to the Santa Fe mountain center urban adventure center building in Santa Fe in Santa Fe county;

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(31) one hundred thousand dollars (\$100,000) to plan, design, renovate, construct, equip and furnish a multipurpose center in Cerro in Taos county; and

(32) fifty thousand dollars (\$50,000) for the land grant council to acquire land within and for the Cristobal de la Serna land grant-merced in Taos county;

F. to the department of transportation:

(1) twenty-five thousand dollars (\$25,000) to plan, design and construct pedestrian walkways and bicycle paths along New Mexico highway 14 in Bernalillo county;

(2) one hundred fifty-two thousand dollars (\$152,000) to acquire rights of way for and to plan, design and construct improvements, including accessibility, to sidewalks in the Parkland Hills neighborhood in Albuquerque in Bernalillo county;

(3) seventy-five thousand dollars (\$75,000) to plan, design and construct pedestrian and traffic calming improvements to the Santa Barbara-Martineztown area of Albuquerque in Bernalillo county;

(4) one hundred thousand dollars (\$100,000) to plan and design improvements to Palomas avenue NE from Louisiana boulevard to San Pedro road in Albuquerque in Bernalillo county;

(5) one hundred thousand dollars (\$100,000) to acquire rights of way for and to plan, design and construct

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sidewalks in La Union in Dona Ana county;

(6) sixty-six thousand seven hundred fifty dollars (\$66,750) to plan, design, construct, repair and improve the infrastructure for roads and storm drainage in Corrales in Sandoval county;

(7) one hundred thousand dollars (\$100,000) to purchase easements and rights of way for and to plan, design, extend and construct Zafarano drive from Rufina street to Agua Fria street in Santa Fe county; and

(8) one hundred fifteen thousand dollars (\$115,000) for a drainage master plan and to plan, design and construct drainage improvements in Rio Communities in Valencia county; ~~HAFC~~→and←~~HAFC~~

G. to the higher education department:

(1) three hundred thousand dollars (\$300,000) to plan, design and construct the central New Mexico community college film production center of excellence at the rail yards in Albuquerque in Bernalillo county;

(2) seven hundred fifty thousand dollars (\$750,000) for the expansion of the trades program facility at the Crownpoint campus of Navajo technical university in McKinley county; and

(3) ten thousand dollars (\$10,000) to plan, design, construct, renovate, purchase, equip and install infrastructure improvements to Santa Fe community college adult

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education facilities, including flooring, equipment and training and laboratory space improvements, in Santa Fe county
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HAFC→H. to the board of regents of eastern New Mexico university, six hundred fifty thousand dollars (\$650,000) to construct a president's residence and public event venue for eastern New Mexico university in Portales in Roosevelt county.

SECTION 2. EXCEPTION TO REVERSION OF BALANCES FROM LAWS 2019 GENERAL FUND APPROPRIATIONS FOR CERTAIN CAPITAL

PROJECTS.-- A reversion of an appropriation, as provided pursuant to Section 1 of this 2020 act, shall be void if the agency for which the appropriation was made certifies to the secretary of finance and administration, before a date occurring ninety days after the effective date of this 2020 act, that the agency has incurred a substantial binding obligation to a third party to expend at least five percent of the appropriation for the project.←HAFC

SECTION HAFC→2←HAFC HAFC→3←HAFC. REVERSION OF BALANCES FROM LAWS 2019 GENERAL FUND APPROPRIATION TO THE BORDER AUTHORITY.--Notwithstanding the requirements for reversion contained in Laws 2019, Chapter 277, Section 1, on the effective date of this act, two million four hundred thousand dollars (\$2,400,000) of the unexpended or unencumbered balance of the appropriation to the border authority to plan, design

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and construct a road between Santa Teresa and Sunland Park in Dona Ana county as provided in Subsection 1 of Section 6 of Chapter 277 of Laws 2019 shall revert to the general fund, and within thirty days of the effective date of this act, the department of finance and administration shall transfer such unexpended or unencumbered balance to the general fund.

SECTION H AFC→3←H AFC H AFC→4←H AFC. SHORT-TERM SEVERANCE TAX BONDS AND SHORT-TERM SUPPLEMENTAL SEVERANCE TAX BONDS--ISSUANCE--APPROPRIATION OF PROCEEDS.--

A. In addition to the bonds issued in accordance with Section 7-27-14 NMSA 1978, and notwithstanding the limitations of that section, Section 7-27-10.1 NMSA 1978 or Section 7-27-12.5 NMSA 1978, in fiscal year 2020, the state board of finance shall, in compliance with the Severance Tax Bonding Act, issue and sell severance tax bonds with a term that does not extend beyond the end of the fiscal year or supplemental severance tax bonds with a term that does not extend beyond the end of the fiscal year, or a combination of those severance tax bonds and supplemental severance tax bonds, up to the total amount calculated pursuant to Subsection C of this section, when the:

(1) secretary of finance and administration certifies the need for the severance tax bonds pursuant to Subsection B of this section and upon a finding by the secretary that the projects for which the bonds are to be

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issued have been developed sufficiently to justify the issuance and that the projects can proceed to contract within a reasonable time; and

(2) public school capital outlay council certifies the need for the supplemental severance tax bonds, subject to the limitations of Subsection H of this section.

B. The secretary of finance and administration shall certify the need for the severance tax bonds issued pursuant to this section only if the balance in the severance tax bonding fund as of the date the bonds are issued exceeds the sum of the:

(1) debt service on the severance tax bonds and supplemental severance tax bonds issued in accordance with this section; and

(2) amount necessary to meet all principal and interest payments on outstanding bonds payable from the severance tax bonding fund on the next two ensuing semiannual payment dates.

C. The secretary of finance and administration shall, prior to the end of fiscal year 2020, determine the amount of money in the severance tax bonding fund, less the amount necessary to meet all principal and interest payments on the:

(1) severance tax bonds and supplemental severance tax bonds issued in accordance with this section; and

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(2) bonds payable from the severance tax bonding fund on the next two ensuing semiannual payment dates.

D. The state board of finance shall issue and sell the bonds in the most expeditious and economical manner possible. The state board of finance shall further take the appropriate steps necessary to comply with the United States Internal Revenue Code of 1986, as amended.

E. Except as provided in Subsection G of this section, proceeds from the sale of the severance tax bonds issued and sold pursuant to this section shall be appropriated up to the amounts, to the entities and for the projects as provided pursuant to:

(1) Laws 2020, Chapter 81, Sections 4, 6 through 32 and 34 through 48;

(2) Item (2) of Section 25 and Items (4) and (6) of Section 26 of Chapter 80 of Laws 2018; and

(3) Laws 2019, Chapter 280, Sections 4 and 114.

F. The agencies for which appropriations are made pursuant to Subsection E of this section shall certify the need for severance tax bonds when proceeds from the bonds appropriated in this section are needed for the purposes for which the appropriations are made.

G. The following percentages of the proceeds from the severance tax bonds are appropriated as follows:

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(1) nine percent of the proceeds is appropriated to the water project fund to fund water projects statewide, pursuant to the provisions of Subsection C of Section 7-27-10.1 NMSA 1978;

(2) four and one-half percent of the proceeds is appropriated to the tribal infrastructure project fund to fund tribal infrastructure projects, pursuant to the provisions of Subsection E of Section 7-27-10.1 NMSA 1978; and

(3) four and one-half percent of the proceeds is appropriated to the colonias infrastructure project fund to fund colonias infrastructure projects in accordance with the provisions of Subsection B of Section 7-27-12.5 NMSA 1978.

H. Provided that the secretary of finance and administration makes the certification pursuant to Subsection B of this section, in addition to proceeds from any other supplemental severance tax bonds issued in fiscal year 2020, the public school capital outlay council may, in fiscal year 2020, certify the need for supplemental severance tax bond proceeds in an aggregate principal amount not to exceed fifty-five million dollars (\$55,000,000).

I. Except as otherwise specifically provided by law:

(1) the unexpended balance from the proceeds of severance tax bonds appropriated in this section for a project shall revert to the severance tax bonding fund no later

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than the following dates:

(a) for a project for which severance tax bond proceeds are appropriated to match federal grants, six months after completion of the project;

(b) for a project for which severance tax bond proceeds are appropriated to purchase vehicles, including emergency vehicles and other vehicles that require special equipment heavy equipment; books; educational technology; or other equipment or furniture that is not related to a more inclusive construction or renovation project, at the end of the fiscal year two years following the fiscal year in which severance tax bond proceeds were made available for the purchase; and

(c) for any other project for which severance tax bonds were appropriated, within six months of the completion of the project, but no later than the end of fiscal year 2024; and

(2) all remaining balances from the proceeds of severance tax bonds appropriated for a project pursuant to this section shall revert to the severance tax bonding fund three months after the latest reversion date specified for that type of project in Paragraph (1) of this subsection.

J. Except for appropriations to the capital program fund, money from severance tax bond proceeds provided pursuant to this section shall not be used to pay indirect project

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costs.

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

SECTION H AFC→4←H AFC H AFC→5←H AFC. Section 67-3-59.2 NMSA 1978 (being Laws 1999 (1st S.S.), Chapter 9, Section 3, as amended) is amended to read:

"67-3-59.2. HIGHWAY INFRASTRUCTURE FUND CREATED--
PURPOSE.--

A. The "highway infrastructure fund" is created in the state treasury and shall be administered by the department. The fund shall consist of money from various fees and taxes distributed to the fund. Earnings on investment of the fund shall be credited to the fund. Balances in the fund at the end of any fiscal year shall not revert and shall remain in the fund for the purposes authorized in this section.

B. Money in the fund shall be used solely for acquisition of rights of way or planning, design, engineering, construction or improvement of state highway projects authorized pursuant to the provisions of Laws 1998, Chapter 84, Subsections C through H of Section 1 of Chapter 85 of Laws 1998, [~~and~~] Laws 2003 (1st S.S.), Chapter 3, Sections 27 and 28 and Section H AFC→7←H AFC H AFC→8←H AFC of this [~~2003~~] 2020 act and is appropriated to the department for expenditure for those

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purposes.

C. The taxes and fees required by law to be distributed to the highway infrastructure fund may be pledged for the payment of ~~[state highway]~~ bonds issued pursuant to Sections 67-3-59.1, ~~[and]~~ 67-3-59.3 and 67-3-59.4 NMSA 1978 and ~~[Section 26]~~ Section ~~HAFC→7←HAFC~~ ~~HAFC→8←HAFC~~ of this ~~[2003]~~ 2020 act for the highway projects authorized in the laws specified in Subsection B of this section."

SECTION ~~HAFC→5←HAFC~~ ~~HAFC→6←HAFC~~. Section 67-3-59.3 NMSA 1978 (being Laws 2003 (1st S.S.), Chapter 3, Section 24) is amended to read:

"67-3-59.3. STATE TRANSPORTATION PROJECT BONDS--
ISSUANCE--PROCEDURES--APPROVAL.--

A. In order to provide funds to finance state transportation projects, the New Mexico finance authority, when directed by the state transportation commission, is authorized, subject to the limitations of this section ~~[and]~~, Section ~~[26 of this 2003 act]~~ 67-3-59.4 NMSA 1978 and Section ~~HAFC→7←HAFC~~ ~~HAFC→8←HAFC~~ of this 2020 act, to issue state transportation project bonds from time to time, payable from:

(1) federal funds not otherwise obligated that are paid into the state road fund;

(2) proceeds of the collection of taxes and fees that are required to be paid into the state road fund and not otherwise pledged exclusively to the payment of outstanding

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bonds and debentures; and

(3) taxes and fees required by law to be paid into the highway infrastructure fund.

B. The New Mexico finance authority, when directed by the state transportation commission, may issue bonds to refund other bonds issued by or at the direction of the state transportation commission pursuant to this section or Section 67-3-59.1 NMSA 1978 by exchange or current or advance refunding.

C. In consultation with the state transportation commission, the New Mexico finance authority shall determine all terms, covenants and conditions of the bonds; provided that the project design life of a project meets or exceeds the life of the bond issued for that project, and each series of bonds shall be sold, executed and delivered in accordance with the provisions of the New Mexico Finance Authority Act. The New Mexico finance authority may enter into interest rate exchange agreements, interest rate swap contracts, insurance agreements, remarketing agreements and any other agreements deemed necessary in connection with the issuance of the bonds.

D. Proceeds of the bonds and amounts on deposit in the state road fund and the highway infrastructure fund may be used to pay expenses incurred in the preparation, administration, issuance and sale of the bonds and, together with the earnings on the proceeds of the bonds, may be used to

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pay rebate, penalty, interest and other obligations relating to the bonds and the proceeds of the bonds under the Internal Revenue Code of 1986, as amended.

E. This section is full authority for the issuance and sale of the bonds, and the bonds shall not be invalid for any irregularity or defect in the proceedings for their issuance and sale and shall be incontestable in the hands of bona fide purchasers or holders of the bond for value.

F. The bonds shall be legal investments for a person or board charged with the investment of public funds and may be accepted as security for a deposit of public money and, with the interest thereon, are exempt from taxation by the state and a political subdivision or agency of the state.

G. Any law authorizing the imposition or distribution of taxes or fees paid into the state road fund or the highway infrastructure fund or that affects those taxes and fees shall not be amended or repealed or otherwise directly or indirectly modified so as to impair outstanding bonds secured by a pledge of revenues from those taxes and fees paid into the state road fund or the highway infrastructure fund, unless the bonds have been discharged in full or provisions have been made for a full discharge. In addition, while any bonds issued by the New Mexico finance authority pursuant to the provisions of this section remain outstanding, the powers or duties of the state transportation commission or the authority shall not be

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diminished or impaired in any manner that will affect adversely the interests and rights of the holder of such bonds.

H. In contracting for state transportation projects to be paid in whole or in part with proceeds of bonds authorized by this section, the department shall require that any sand, gravel, caliche or similar material needed for the project shall, if practicable, be mined from state lands. Each contract shall provide that the contractor notify the commissioner of public lands of the need for the material and that, through lease or purchase, the material shall be mined from state lands if:

- (1) the material needed is available from state lands in the vicinity of the project;
- (2) the commissioner determines that the lease or purchase is in the best interest of the state land trust beneficiaries; and
- (3) the cost to the contractor for the material, including the costs of transportation, is competitive with other available material from nonstate lands.

I. Bonds issued pursuant to this section shall be paid solely from federal funds not otherwise obligated and taxes and fees deposited into the state road fund and the highway infrastructure fund and shall not constitute a general obligation of the state.

J. For purposes of this section, "state

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transportation project bonds" includes only those bonds issued pursuant to this section and excludes transportation bonds as defined in Section 67-3-72 NMSA 1978."

SECTION ~~HAFC~~⁶~~HAFC~~ ~~HAFC~~⁷~~HAFC~~. Section 67-3-59.4 NMSA 1978 (being Laws 2003 (1st S.S.), Chapter 3, Section 26) is amended to read:

"67-3-59.4. STATE TRANSPORTATION PROJECT BONDS--
AUTHORIZATION AND APPROPRIATION--PRIORITIES--CRITERIA--
REPORTS.--

A. It is the intent of the legislature to authorize the New Mexico finance authority to issue state transportation project bonds pursuant to Section 67-3-59.3 NMSA 1978 for projects specified in Laws 2003 (1st S.S.), Chapter 3, Sections 27 and 28 [~~of this 2003 act~~] and in Section ~~HAFC~~⁷~~HAFC~~ ~~HAFC~~⁸~~HAFC~~ of this 2020 act in the total aggregate principal amount of one billion five hundred eighty-five million dollars (\$1,585,000,000) [~~in annual increments of three hundred fifty million dollars (\$350,000,000) beginning with the appropriation for 2003 provided for in Subsection B of this section~~].

B. [~~After the effective date of this act~~] The state [~~transportation~~] transportation commission may authorize the New Mexico finance authority to issue and sell state transportation project bonds. The proceeds of the bonds are appropriated to the department of transportation for projects listed in Laws 2003 (1st S.S.), Chapter 3, Sections 27 and 28 and in Section

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C. The department of transportation shall provide to the legislature and the governor a report on transportation priorities and progress. The report shall include:

(1) justification of priority ranking of projects, including the following for each highway project enumerated in Laws 2003 (1st S.S.), Chapter 3, Sections 27 and 28 [~~of this 2003 act~~]:

(a) traffic counts and accident rates and the expected improvements to traffic flow, health and safety;

(b) the ranking of the pavement and substructure conditions;

(c) an assessment of economic development impacts; and

(d) other information deemed significant by the department;

(2) the expected life of the proposed improvement;

(3) sufficiency of revenue to pay the principal and interest of all outstanding and proposed bonds based on a five- and twenty-year financial forecast for the state road fund and the effect of the bond program on the department's construction and maintenance program;

(4) status report of ongoing major

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construction;

(5) the relationship between the requested projects and the statewide transportation improvement program; and

(6) any other information requested by the legislature or the executive.

D. The department of transportation shall provide quarterly progress reports to the department of finance and administration and the legislative finance committee.

E. The department of transportation shall adopt and enforce rules with the goal that no less than seventy percent of the work force of an exclusively state-funded project authorized in Laws 2003 (1st S.S.), Chapter 3, Sections 27 and 28 [~~of this 2003 act~~] shall be residents of New Mexico."

SECTION HAFc→7←HAFc HAFc→8←HAFc. DEPARTMENT OF TRANSPORTATION PROJECTS--APPROPRIATION REVERSION--AUTHORIZATION TO ISSUE STATE TRANSPORTATION PROJECT BONDS.--

A. Notwithstanding the provisions of Laws 2019, Chapter 271, Section 9, seventy-five million dollars (\$75,000,000) of the unexpended or unencumbered balance of the appropriation provided pursuant to that law from the general fund to the department of transportation for acquisition of rights of way, planning, design and construction and to match federal and other state funds for projects shall not be expended or encumbered and shall revert to the general fund at

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the end of fiscal year 2020.

B. Of the aggregate principal amount of one billion five hundred eighty-five million dollars (\$1,585,000,000) for state transportation project bonds that the New Mexico finance authority is authorized to issue pursuant to Sections 67-3-59.3 and 67-3-59.4 NMSA 1978, the New Mexico finance authority may, on or after July 1, 2022, issue and sell state transportation project bonds in a principal amount not to exceed seventy-five million dollars (\$75,000,000) for acquisition of rights of way, planning, design and construction and to match federal and other state funds for projects for which general fund appropriations were made pursuant to Laws 2019, Chapter 271, Section 9.

C. The department of transportation may use the net proceeds of state transportation project bonds issued by the New Mexico finance authority pursuant to Subsection B of this section for the projects for which general fund appropriations were made pursuant to Laws 2019, Chapter 271, Section 9.

D. Any unexpended or unencumbered balance after the completion of the projects authorized in this section shall revert to the state road fund.

SECTION H AFC→8←H AFC H AFC→9←H AFC. FUND AND OTHER ACCOUNT TRANSFERS AND REVERSIONS TO THE GENERAL FUND--FISCAL YEAR 2020.--Notwithstanding any restriction on or use of money in the funds or accounts, the following unexpended or unencumbered

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balances from the following amounts from the following funds or accounts are transferred to the fiscal year 2020 appropriation account of the general fund:

A. one million dollars (\$1,000,000) from the consumer settlement fund of the office of the attorney general;

B. one million dollars (\$1,000,000) from the local DWI grant fund;

C. two million dollars (\$2,000,000) from the enhanced 911 fund;

D. four million dollars (\$4,000,000) from the public liability fund;

E. one million dollars (\$1,000,000) from the public property reserve fund;

F. one million dollars (\$1,000,000) from the New Mexico youth conservation corps fund;

G. seven hundred fifty thousand dollars (\$750,000) from the medical cannabis fund;

H. two million dollars (\$2,000,000) from the corrective action fund;

I. four million dollars (\$4,000,000) from the rural infrastructure revolving loan fund;

J. two million dollars (\$2,000,000) from the college affordability endowment fund;

K. two million dollars (\$2,000,000) from the student financial aid special programs fund of the higher

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education department;

L. two million dollars (\$2,000,000) from the local government planning fund of the New Mexico finance authority;

M. five million three hundred thousand dollars (\$5,300,000) from the water project fund of the New Mexico finance authority;

N. two million five hundred thousand dollars (\$2,500,000) from the drinking water state revolving loan fund of the New Mexico finance authority; and

O. three million dollars (\$3,000,000) from the primary care capital fund of the New Mexico finance authority.

SECTION H AFC→9←H AFC H AFC→10←H AFC. TRANSFER TO APPROPRIATION CONTINGENCY FUND.--

Notwithstanding any restriction on or use of money in the executive order fund of the homeland security and emergency management department, two million dollars (\$2,000,000) is transferred from that fund to the appropriation contingency fund of the general fund.

SECTION H AFC→10←H AFC H AFC→11←H AFC. TEMPORARY PROVISION--OUTSTANDING STATE HIGHWAY REVENUE BONDS.--

A. Nothing in this act shall be deemed to impair state highway revenue bonds previously issued by the state transportation commission and outstanding on the effective date of this act.

B. If required by the terms, covenants and

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provisions of state highway revenue bonds previously issued by the state transportation commission and outstanding on the effective date of this act, additional bonds issued by the state transportation commission or the New Mexico finance authority when directed by the state transportation commission pursuant to this act shall contain any required terms, covenants and provisions required to avoid impairment of the previously issued bonds.

SECTION H AFC→11←H AFC H AFC→12←H AFC. REPEAL.--Laws 2020, Chapter 64, Sections 1 through H AFC→4←H AFC H AFC→5←H AFC are repealed.

SECTION H AFC→12←H AFC H AFC→13←H AFC. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.