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HOUSE BILL 612

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

JOE STELL

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS TO ASSIST THE STATE OF NEW MEXICO IN COMPLYING WITH THE UNITED STATES SUPREME COURT DECREE IN TEXAS V. NEW MEXICO; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

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

Section 1. SEVERANCE TAX BONDS--PURPOSE FOR WHICH ISSUED-- APPROPRIATION OF PROCEEDS.--The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not exceeding two million dollars (\$2,000,000) when the interstate stream commission certifies the need for the issuance of the bonds. The state board of finance shall schedule the issuance and sale of the bonds in the most expeditious and economical manner possible upon a finding by 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 Internal Revenue Code of 1986, as amended. The
5 proceeds from the sale of the bonds are appropriated to the
6 interstate stream commission for the purpose of acquiring, by
7 purchase or lease, water rights within the Pecos river basin or
8 for other projects acceptable to the interstate stream
9 commission that will most effectively aid the state in complying
10 with the Pecos River Compact and the United States supreme
11 court's amended decree in Texas v. New Mexico, 484 U.S. 388
12 (1988). Any unexpended or unencumbered balance remaining at the
13 end of fiscal year 1999 shall revert to the severance tax
14 bonding fund. If the interstate stream commission has not
15 certified the need for the issuance of the bonds by the end of
16 fiscal year 1998, the authorization provided in this section
17 shall be void.

18 Section 2. EMERGENCY. --It is necessary for the public
19 peace, health and safety that this act take effect immediately.

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