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HOUSE BILL 730

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

INTRODUCED BY

BEN LUJAN

AN ACT

RELATING TO PUBLIC BUILDINGS; TRANSFERRING INCOME FROM THE
CAPITOL BUILDINGS REPAIR FUND; AUTHORIZING THE ISSUANCE OF
REVENUE BONDS; MAKING AN APPROPRIATION.

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

Section 1. NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--
PURPOSE-- CERTIFICATION-- APPROPRIATION. --

A. The New Mexico finance authority may issue and
sell revenue bonds in compliance with the New Mexico Finance
Authority Act in an amount not to exceed eighteen million
dollars (\$18,000,000) for the purpose of repairing, remodeling,
constructing, furnishing and equipping a state building located
adjacent to the state capitol in Santa Fe known as the New
Mexico state library and for relocation-associated renovations
in the state capitol.

1 B. Annually, the first two million dollars
2 (\$2,000,000) in the capitol buildings repair fund shall be
3 distributed by the general services department to the New Mexico
4 finance authority and is appropriated to the authority to be
5 pledged irrevocably for the payment of the principal, interest,
6 any premium and expenses related to the issuance and sale of the
7 bonds authorized pursuant to this section.

8 C. All income from the capitol buildings repair fund
9 distributed to the New Mexico finance authority shall be
10 deposited in a special bond fund or segregated account of the
11 authority. At the end of each fiscal year, any money remaining
12 in the special bond fund or segregated account, after all debt
13 service obligations, reserve fund requirements and expenses in
14 such fiscal year for the bonds issued pursuant to this section
15 are fully met, shall be transferred by the authority to the
16 state treasurer for deposit back into the capitol buildings
17 repair fund. Upon payment of all principal and interest and any
18 other expenses or obligation related to the issuance of the
19 bonds authorized by this section, the New Mexico finance
20 authority shall certify to the general services department that
21 all obligations for the bonds issued pursuant to this section
22 have been fully discharged and direct the department to cease
23 the distribution from the capitol buildings repair fund to the
24 authority.

25 D. The legislature shall not repeal, amend or

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1 otherwise modify any law that affects or impairs the revenue
2 bonds of the New Mexico finance authority secured by a pledge of
3 the income from the capitol buildings repair fund.

4 E. Upon certification by the New Mexico finance
5 authority that the state building project is sufficiently
6 developed to warrant the issuance of bonds by the authority, the
7 general services department shall distribute the first two
8 million dollars (\$2,000,000) of the capitol buildings repair
9 fund to the New Mexico finance authority.

10 Section 2. EFFECTIVE DATE. -- The effective date of the
11 provisions of this act is January 1, 1997.

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State of New Mexico
House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

February 9, 1996

Mr. Speaker:

**Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred**

HOUSE BILL 730

**has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:**

**1. On page 1, line 13, after the semicolon insert "AMENDING
AND ENACTING CERTAIN SECTIONS OF THE NMSA 1978;".**

**2. On page 1, line 19, after "sell" insert "in installments
or at one time".**

3. On page 1, line 22, strike ", furnishing".

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4. On page 2, line 6, after "to" strike "the issuance and sale of".

5. On page 2, line 18, after "to" strike "the issuance of".

6. On page 3, between lines 3 and 4, insert the following new subsection:

"E. The New Mexico finance authority may issue and sell revenue bonds authorized by this section when the legislative council service certifies the need for issuance of the bonds. The net proceeds from the sale of the bonds are appropriated to the legislative council service for the purposes described in Subsection A of this section."

7. Reletter the succeeding subsection accordingly.

8. On page 3, between lines 9 and 10, insert the following new sections:

"Section 2. Section 7-27-5 NMSA 1978 (being Laws 1983, Chapter 306, Section 7, as amended) is amended to read:

"7-27-5. INVESTMENT OF SEVERANCE TAX PERMANENT FUND. -- The severance tax permanent fund shall be invested for two general purposes, to provide income to the fund and to stimulate the economy of New Mexico, preferably on a continuing basis. The

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investments in Sections 7-27-5.1 and 7-27-5.6 NMSA 1978 shall be those intended to provide maximum income to the fund and shall be referred to as the market rate investments. The investments permitted in Sections 7-27-5.3 through 7-27-5.5, [~~7-27-5.7~~] 7-27-5.13 through 7-27-5.17, [~~and 7-27-5.21~~] 7-27-5.22 and 7-27-23 NMSA 1978 shall be those intended to stimulate the economy of New Mexico and shall be referred to as the differential rate investments. The prudent man rule shall be applied to the market rate investments, and the state investment officer shall keep separate records of the earnings of the market rate investments. All transactions entered into on or after July 1, 1991 shall be accounted for in accordance with generally accepted accounting principles. "

Section 3. A new section of the Severance Tax Bonding Act, Section 7-27-5.23 NMSA 1978, is enacted to read:

"7-27-5.23. [NEW MATERIAL] SEVERANCE TAX PERMANENT FUND-- INVESTMENT IN OBLIGATIONS ISSUED FOR STATE CAPITOL BUILDINGS AND RENOVATIONS.--Subject to the approval of the state investment council, the severance tax permanent fund may be invested in revenue bonds issued by the New Mexico finance authority for state capitol buildings and relocation-associated renovations in the state capitol. The amount invested shall not exceed eighteen million dollars (\$18,000,000). "

Section 4. Section 15-3-24 NMSA 1978 (being Laws 1972, . 110989A. 2

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Chapter 74, Section 4, as amended) is amended to read:

"15-3-24. CAPITOL BUILDINGS REPAIR FUND-- CREATION--
EXPENDITURES. --

A. The "capitol buildings repair fund" is created. To this fund shall be transferred all income, including earnings on investments, derived from lands granted to the state by the United States congress for legislative, executive and judicial public buildings. Two percent of this fund shall be transferred annually to a "state capitol maintenance fund", hereby created, as a special perpetual fund for the upkeep and maintenance of the capitol renovation and capitol grounds.

B. The capitol buildings repair fund may be used to repair, remodel and equip capitol buildings and adjacent lands, to repair or replace building machinery and building equipment located in capitol buildings and to contract for options to purchase real estate, such real estate, if purchased, to be put to state use; provided that no more than ten thousand dollars (\$10,000) shall be expended for any single option. Any money used for consideration in acquiring an option to purchase real estate shall be applied against the purchase price of the real estate if the option is exercised. No money, except for expenditures for debt service and other obligations related to bonds payable from the capitol buildings repair fund issued by the New Mexico finance authority, shall be expended from the capitol buildings repair fund without authorization of the state board of finance.

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C. In the event any capital outlay project exceeds authorized project cost by no more than five percent, the state board of finance may authorize the property control division of the general services department to supplement the authorized cost by an allocation not to exceed five percent of the authorized cost from the capitol buildings repair fund to the extent of the unencumbered and unexpended balance of the fund. "".

9. Renumber the succeeding section accordingly.,
and thence referred to the APPROPRIATIONS AND FINANCE
COMMI TTEE.

Respectfully submitted,

Jerry W. Sandel, Chairman

Adopted _____

Not Adopted _____

(Chi ef Clerk)

(Chi ef Clerk)

Date _____

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SECOND SESSION, 1996

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The roll call vote was 12 For 0 Against
Yes: 12
Excused: Gallegos
Absent: None

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State of New Mexico House of Representatives

**FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996**

February 10, 1996

Mr. Speaker:

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred**

HOUSE BILL 730, as amended

**has had it under consideration and reports same with
recommendation that it DO PASS.**

Respectfully submitted,

Max Coll, Chair man

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Adopted _____ Not Adopted _____

(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Casey, Gentry, Light, Martinez, Reyes, Wallace
Watchman, Coll

Absent: none

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FORTY- SECOND LEGI SLATURE
SECOND SESSION, 1996

February 13, 1996

Mr. President:

Your FINANCE COMMI TTEE, to whom has been referred

HOUSE BILL 730, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submit ted,

Ben D. Altami rano, Chairman

Adopted _____ Not Adopted _____
(Chi ef Clerk) (Chi ef Clerk)

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SECOND SESSION, 1996

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Date

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The roll call vote was 7 For 0 Against

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Yes: 7

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No: 0

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Excused: Aragon, Doni sthorpe, Ingle, Kysar, Maci as, Nava

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Absent: None

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