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HOUSE BILL 155

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; REAUTHORIZING BALANCES; CHANGING THE PURPOSE OF A SEVERANCE TAX BOND APPROPRIATION; CHANGING A GENERAL FUND APPROPRIATION; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; REVERTING CERTAIN UNEXPENDED BALANCES OF PRIOR SEVERANCE TAX AND GENERAL FUND AND OTHER APPROPRIATIONS; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

Section 1. SEVERANCE TAX BONDS-- AUTHORIZATIONS-- APPROPRIATION OF PROCEEDS. --

A. The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not to exceed the total of the

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1 amounts authorized for purposes specified in this act. The
2 state board of finance shall schedule the issuance and sale of
3 the bonds in the most expeditious and economical manner
4 possible upon a finding by the board that the project has been
5 developed sufficiently to justify the issuance and that the
6 project can proceed to contract within a reasonable time. The
7 state board of finance shall further take the appropriate
8 steps necessary to comply with the Internal Revenue Code of
9 1986, as amended. Proceeds from the sale of the bonds are
10 appropriated for the purposes specified in this act.

11 B. The agencies named in this act shall certify to
12 the state board of finance when the money from the proceeds of
13 the severance tax bonds authorized in this section is needed
14 for the purposes specified in the applicable section of this
15 act. If an agency has not certified the need for the issuance
16 of the bonds for a particular project, including projects that
17 have been reauthorized, by the end of fiscal year 2003, the
18 authorization for that project is void.

19 C. Before an agency may certify for the issuance
20 of severance tax bonds, the project must be developed
21 sufficiently so that the agency reasonably expects to:

22 (1) incur within six months after the
23 applicable bonds have been issued a substantial binding
24 obligation to a third party to expend at least five percent of
25 the bond proceeds for the project; and

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1 (2) spend at least eighty-five percent of the
2 bond proceeds within three years after the applicable bonds
3 have been issued.

4 D. Except as otherwise provided in this section or
5 another section of this act, the unexpended balance from the
6 proceeds of severance tax bonds issued for a project,
7 including projects that have been reauthorized, shall revert
8 to the severance tax bonding fund as follows:

9 (1) for projects for which severance tax
10 bonds were issued to match federal grants, six months after
11 completion of the project;

12 (2) for projects for which severance tax
13 bonds were issued to purchase vehicles, heavy equipment,
14 educational technology or other equipment or furniture that
15 are not related to a more inclusive construction or renovation
16 project, at the end of the fiscal year following the fiscal
17 year in which the severance tax bonds were issued for the
18 purchase; and

19 (3) for all other projects for which
20 severance tax bonds were issued, within six months of
21 completion of the project, but no later than the end of fiscal
22 year 2006.

23 E. Except for appropriations to the capital
24 program fund, money from severance tax bond proceeds provided
25 pursuant to this act shall not be used to pay indirect project

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1 costs.

2 F. For the purpose of this section, "unexpended
3 balance" means the remainder of an appropriation after costs
4 and expenses recognized in accordance with generally accepted
5 accounting principles have been paid.

6 Section 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--
7 LIMITATIONS-- REVERSIONS. --

8 A. Except as otherwise provided in this section or
9 another section of this act, the unexpended balance of an
10 appropriation made in this act from the general fund or other
11 state fund, including changes to prior appropriations, shall
12 revert to the originating fund as follows:

13 (1) for projects for which appropriations
14 were made to match federal grants, six months after completion
15 of the project;

16 (2) for projects for which appropriations
17 were made to purchase vehicles, heavy equipment, educational
18 technology or equipment or furniture that are not related to a
19 more inclusive construction or renovation project, at the end
20 of the fiscal year following the fiscal year in which the
21 appropriation was made for the purchase; and

22 (3) for all other projects for which
23 appropriations were made, within six months of completion of
24 the project, but no later than the end of fiscal year 2006.

25 B. Except for appropriations to the capital

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1 program fund, money from appropriations made in this act shall
2 not be used to pay indirect project costs.

3 C. For the purpose of this section, "unexpended
4 balance" means the remainder of an appropriation after costs
5 and expenses recognized in accordance with generally accepted
6 accounting principles have been paid.

7 Section 3. REVERSION ON PRIOR-YEAR PROJECTS--ALL FUNDING
8 SOURCES--LIMITATIONS ON PRIOR-YEAR EXPENDITURES FOR CERTAIN
9 COSTS. --

10 A. All unexpended balances of severance tax bond
11 proceeds from capital outlay projects authorized by the
12 legislature prior to 1995 shall revert to the severance tax
13 bonding fund by October 31, 2001, unless the certifying agency
14 can demonstrate to the state board of finance that:

15 (1) the project is active and there are valid
16 encumbrances on the appropriation; or

17 (2) the legislature reauthorized the project
18 after July 1, 1995 or extended its life beyond July 1, 2001
19 and the project is active.

20 B. All unexpended balances of general obligation
21 bond proceeds from capital outlay projects authorized by the
22 legislature prior to 1995 shall revert to the debt service
23 fund established by the state treasurer for the purpose of
24 paying the principal and interest on the state's general
25 obligation bonds on October 31, 2001, unless the certifying

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1 agency can demonstrate to the state board of finance that the
2 project is active and there are valid encumbrances on the
3 appropriation.

4 C. All unexpended balances remaining from
5 appropriations for capital outlay projects prior to 1995 from
6 the general fund or other state funds shall revert to the
7 originating fund by October 31, 2001, unless the agency to
8 whom the money was appropriated can demonstrate to the
9 financial control division of the department of finance and
10 administration that:

11 (1) the project is active and there are valid
12 encumbrances on the appropriation; or

13 (2) the legislature reappropriated the money
14 for the project after July 1, 1995 or extended the project's
15 life beyond July 1, 2001 and the project is active.

16 Section 4. CULTURAL AFFAIRS PROJECT--OFFICE OF CULTURAL
17 AFFAIRS--SEVERANCE TAX BONDS.--Pursuant to the provisions of
18 Section 1 of this act, upon certification by the office of
19 cultural affairs that the need exists for the issuance of the
20 bonds, nine million dollars (\$9,000,000) is appropriated to
21 the office of cultural affairs to plan, design, construct,
22 equip and furnish the palace of the governors annex project in
23 Santa Fe in Santa Fe county.

24 Section 5. RAILROAD PROJECT--CUMBRES AND TOLTEC SCENIC
25 RAILROAD COMMISSION--SEVERANCE TAX BONDS.--Pursuant to the

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1 provisions of Section 1 of this act, upon certification by the
2 Cumbres and Toltec scenic railroad commission that the need
3 exists for the issuance of the bonds, four hundred forty-two
4 thousand dollars (\$442,000) is appropriated to the Cumbres and
5 Toltec scenic railroad commission for capital improvements,
6 including boiler work and track upgrades, in Chama in Rio
7 Arriba county.

8 Section 6. UNIVERSITY OF NEW MEXICO PROJECTS--SEVERANCE
9 TAX BONDS.--Pursuant to the provisions of Section 1 of this
10 act, upon certification by the board of regents of the
11 university of New Mexico that the need exists for the issuance
12 of the bonds, the following amounts are appropriated to the
13 board of regents of the university of New Mexico for the
14 following purposes at the university of New Mexico in
15 Albuquerque in Bernalillo county:

16 A. one hundred thousand dollars (\$100,000) for
17 equipment and educational technology at the college of fine
18 arts; and

19 B. one million five hundred ten thousand dollars
20 (\$1,510,000) for phase 2 construction and installation of
21 equipment at the manufacturing training and technology center
22 cleanroom facility.

23 Section 7. PUBLIC SCHOOLS PROJECTS--CRITICAL CAPITAL
24 OUTLAY--GENERAL FUND.--Five million dollars (\$5,000,000) is
25 appropriated from the general fund to the public school

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1 capital outlay fund for expenditure in fiscal year 2002 to
2 carry out the provisions of the Public School Capital Outlay
3 Act. Any unexpended or unencumbered balance remaining at the
4 end of fiscal year 2002 shall not revert.

5 Section 8. CLAYTON PUBLIC SCHOOL DISTRICT ALTERNATIVE
6 SCHOOL--SEVERANCE TAX BOND AND GENERAL FUND APPROPRIATIONS--
7 CHANGE PURPOSE TO PURCHASE EQUIPMENT.--

8 A. On the effective date of this act, the balance
9 of the unencumbered proceeds from the sale of severance tax
10 bonds appropriated to the state department of public education
11 pursuant to Subsection TTTT of Section 16 of Chapter 23 of
12 Laws 2000 (2nd S. S.) to construct or renovate a facility to be
13 used as an alternative school for the Clayton public school
14 district in Union county shall not be expended for the
15 original purpose but is reauthorized and appropriated to
16 purchase equipment for the Clayton public school district in
17 Union county.

18 B. The balance of the general fund appropriation
19 made pursuant to Subsection TT of Section 45 of Chapter 23 of
20 Laws 2000 (2nd S. S) to construct or renovate a facility to be
21 used as an alternative school for the Clayton public school
22 district in Union county shall not be expended for the
23 original purpose but is appropriated to purchase equipment for
24 the Clayton public school district in Union county.

25 Section 9. PROJECT SCOPE--EXPENDITURES.--If an

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1 appropriation for a project authorized in this act is not
2 sufficient to complete all the purposes specified, the
3 appropriation may be expended for any portion of the purposes
4 specified in the appropriation. Expenditures shall not be
5 made for purposes other than those specified in the
6 appropriation.

7 Section 10. ART IN PUBLIC PLACES.--Pursuant to Section
8 13-4A-4 NMSA 1978 and where applicable, the appropriations
9 authorized in this act include one percent for the art in
10 public places fund.

11 Section 11. EMERGENCY.--It is necessary for the public
12 peace, health and safety that this act take effect
13 immediately.