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SENATE BILL 10

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST EXTRAORDINARY SESSION, 2002

INTRODUCED BY

John Pinto

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; 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 amounts authorized for purposes specified in this act. The state board of finance shall schedule the issuance and sale of

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

9 B. The agencies named in this act shall certify to
10 the state board of finance when the money from the proceeds of
11 the severance tax bonds authorized in this section is needed
12 for the purposes specified in the applicable section of this
13 act. If an agency has not certified the need for the issuance
14 of the bonds for a particular project, including projects that
15 have been reauthorized, by the end of fiscal year 2004, the
16 authorization for that project is void.

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

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

24 (2) spend at least eighty-five percent of the
25 bond proceeds within three years after the applicable bonds

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1 have been issued.

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

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

10 (2) for projects for which severance tax
11 bonds were issued to purchase vehicles, heavy equipment,
12 educational technology or other equipment or furniture that is
13 not related to a more inclusive construction or renovation
14 project, at the end of the fiscal year following the fiscal
15 year in which the severance tax bonds were issued for the
16 purchase after reserving for unpaid costs and expenses covered
17 by binding written obligations to third parties; and

18 (3) for all other projects for which
19 severance tax bonds were issued, within six months of
20 completion of the project, but no later than the end of fiscal
21 year 2007.

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

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

5 Section 2. HIGHWAY PROJECTS--STATE HIGHWAY AND
6 TRANSPORTATION DEPARTMENT--SEVERANCE TAX BONDS.--Pursuant to
7 the provisions of Section 1 of this act, upon certification by
8 the state highway and transportation department that the need
9 exists for the issuance of the bonds, the following amounts
10 are appropriated to the state highway and transportation
11 department for the following purposes:

12 A. two hundred thousand dollars (\$200,000) to
13 extend and improve Major Watson road for a bus route near Twin
14 Lakes in McKinley county;

15 B. three million dollars (\$3,000,000) to conduct
16 archaeological clearances and environmental assessments; to
17 plan, design and construct a bridge; and to extend the access
18 road to the bridge in Hogback in San Juan county; and

19 C. one million dollars (\$1,000,000) to conduct
20 environmental assessments, archaeological clearances and other
21 surveys required to construct a road through Rio Lobo canyon
22 to Standing Rock in McKinley county.

23 Section 3. INDIAN AFFAIRS PROJECT--NEW MEXICO OFFICE OF
24 INDIAN AFFAIRS--SEVERANCE TAX BONDS.--Pursuant to the
25 provisions of Section 1 of this act, upon certification by the

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1 New Mexico office of Indian affairs that the need exists for
2 the issuance of the bonds, one hundred thousand dollars
3 (\$100,000) is appropriated to the New Mexico office of Indian
4 affairs to renovate the chapter house of the Standing Rock
5 chapter of the Navajo Nation in McKinley county.

6 Section 4. EMERGENCY.--It is necessary for the public
7 peace, health and safety that this act take effect
8 immediately.