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HOUSE BILL 499

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Ben Lujan

AN ACT

**RELATING TO STATE GOVERNMENT ORGANIZATION; CREATING THE CAPITAL
OUTLAY DIVISION IN THE DEPARTMENT OF FINANCE AND
ADMINISTRATION; PROVIDING POWERS AND DUTIES.**

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

**Section 1. Section 6-3-24 NMSA 1978 (being Laws 1992,
Chapter 2, Section 2) is amended to read:**

"6-3-24. BUDGET ADJUSTMENTS-- AUTHORIZATIONS PERMITTED. --

**A. A state agency may be specifically authorized by
law to request a budget adjustment. The amount of budget
adjustment authorized may be limited by law. All requests for
budget adjustments shall be made in accordance with the
procedures set forth in Section 6-3-25 NMSA 1978.**

**B. The state budget division of the department of
finance and administration may approve operational budget**

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1 adjustments for state agencies as provided by law and the
2 capital outlay division of the department may approve capital
3 outlay budget adjustments as provided by law. If the budget
4 adjustment results in an increased expenditure of other state
5 funds, internal service funds or interagency transfer funds
6 above the amounts appropriated, such funds are hereby
7 appropriated. "

8 Section 2. Section 6-3-25 NMSA 1978 (being Laws 1992,
9 Chapter 2, Section 3, as amended) is amended to read:

10 "6-3-25. BUDGET ADJUSTMENT PROCEDURE. --

11 A. Except for federal funds, disaster assistance
12 funds and emergency response funds, any budget adjustment
13 request to transfer, decrease or increase funds shall be held
14 in abeyance for ten calendar days after the director of the
15 state budget division or the director of the capital outlay
16 division of the department of finance and administration has
17 approved the request and has filed the request with the
18 director of the legislative finance committee or his designee.
19 The request shall be accompanied by a statement, in writing, of
20 the conditions under which the budget adjustment request is
21 approved, together with justification for approval.

22 B. If within ten days the director of the
23 legislative finance committee or his designee objects to the
24 request, the request shall not go into effect until it is
25 reviewed by the legislative finance committee at a public

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1 hearing held within thirty-five calendar days of receipt of the
2 proposed budget adjustment by the director of the legislative
3 finance committee or his designee. If the state fiscal year
4 ends prior to the date scheduled for a hearing, the request
5 shall go into effect on the last day of the fiscal year.

6 C. If within ten days of receipt of a budget
7 adjustment request the director of the legislative finance
8 committee or his designee indicates that no objection will be
9 forthcoming, the proposed budget adjustment request may be
10 implemented immediately. If no public hearing is held within
11 the required thirty-five days, the request may be implemented. "

12 Section 3. Section 6-4-1 NMSA 1978 (being Laws 1975,
13 Chapter 282, Section 3, as amended) is amended to read:

14 "6-4-1. CAPITAL PROGRAMS--PREPARATION--DUTIES. --

15 A. The capital outlay division of the department of
16 finance and administration [~~and the general services~~
17 ~~department~~] shall [~~jointly~~] prepare, amend and maintain a four-
18 year program of major state capital improvement projects
19 recommended to be undertaken by the state or to be undertaken
20 with state aid or under state regulation. The program shall
21 classify projects with respect to urgency and need for
22 realization, and it shall recommend a time sequence for
23 construction. The program shall also contain the contract
24 price or estimated cost of each project and it shall indicate
25 probable operating and maintenance costs and probable revenues,

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1 if any, as well as existing sources of funds or the need for
2 additional sources of funds for the construction and operation
3 of each project.

4 B. Heads of departments and other agencies of the
5 state shall transmit to the [~~department of finance and~~
6 ~~administration~~] capital outlay division on July 1 of each year
7 a statement of all capital projects proposed for the ensuing
8 four years for review and recommendation to the governor with
9 respect to inclusion in the capital program of the state. "

10 Section 4. Section 9-6-3 NMSA 1978 (being Laws 1977,
11 Chapter 247, Section 3, as amended) is amended to read:

12 "9-6-3. DEPARTMENT OF FINANCE AND ADMINISTRATION--
13 CREATION--TRANSFER AND MERGER OF DIVISION FUNCTIONS--MERGER AND
14 CREATION OF DIVISIONS.--

15 A. The "department of finance and administration"
16 is created. The department shall consist of those divisions
17 created by law or executive order, as modified by executive
18 order pursuant to Subsection C of this section, including but
19 not limited to:

- 20 (1) the board of finance division;
21 (2) the financial control division;
22 (3) the local government division;
23 (4) the ~~management~~ and contracts review
24 division; [~~and~~]
25 (5) the state budget division; and

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(6) the capital outlay division.

B. The secretary is empowered to organize the department and the divisions [~~thereof~~] specified in Subsection A of this section and may transfer or merge functions between divisions in the interest of efficiency and economy.

C. The governor is empowered to merge divisions of the department or to create additional divisions by executive order in the interest of efficiency and economy. "

Section 5. A new section of the Department of Finance and Administration Act is enacted to read:

"[NEW MATERIAL] CAPITAL OUTLAY DIVISION-- POWERS AND DUTIES. --The capital outlay division of the department of finance and administration shall:

A. prepare, amend and maintain a four-year program of major state capital improvement projects to be undertaken by the state with state aid or under state regulation;

B. maintain a central database on capital outlay projects that includes fiscal information on and progress status of the projects;

C. identify fund balances that should be reverted and notify the secretary;

D. work with other state agencies to coordinate capital projects to achieve better accountability and reporting;

E. provide technical assistance to the governor and

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1 the legislature as they develop joint priorities to be funded
2 through the capital outlay process;

3 F. work with state agencies and local and tribal
4 governments in developing capital outlay funding priorities for
5 local and tribal governments; and

6 G. approve budget adjustment requests related to
7 capital projects. "