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SENATE BILL 998

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

INTRODUCED BY

Phil A. Griego

AN ACT

**RELATING TO INFRASTRUCTURE ASSETS OF THE STATE AND ITS
POLITICAL SUBDIVISIONS; ENACTING THE INFRASTRUCTURE RENOVATION
AND PERFORMANCE GUARANTEE ACT; AUTHORIZING GOVERNMENTAL
ENTITIES TO ENTER INTO AGREEMENTS FOR THE RENOVATION OF CERTAIN
INFRASTRUCTURE.**

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

**Section 1. SHORT TITLE. -- This act may be cited as the
"Infrastructure Renovation and Performance Guarantee Act".**

Section 2. FINDINGS AND PURPOSE. --

A. The legislature finds that:

**(1) adequate infrastructure, including, but
not limited to, roads, pipelines, water and wastewater
treatment, electrical generation and distribution, and
telecommunications, is basic to the health, safety and welfare**

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underscored material = new
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1 of all New Mexicans;

2 (2) governmental efforts and resources have
3 not been sufficient to create and maintain a consistent and
4 adequate condition level of infrastructure statewide;

5 (3) failure to maintain the infrastructure may
6 create a drag on the local economy and can encourage population
7 and corporate flight while discouraging new private investment
8 or reinvestment; and

9 (4) compliance with governmental accounting
10 standards board statements numbers 34 and 35 with regard to the
11 net value of infrastructure assets is of financial benefit to
12 state and local governmental entities.

13 B. The purpose of the Infrastructure Renovation and
14 Performance Guarantee Act is to authorize governmental entities
15 to enter into agreements:

16 (1) for the restoration of depreciated or
17 deteriorated civil infrastructure assets for which the
18 renovation costs are less than the replacement value;

19 (2) that provide for the financing of the
20 restoration; and

21 (3) that include performance guarantees.

22 Section 3. DEFINITIONS.--As used in the Infrastructure
23 Renovation and Performance Guarantee Act:

24 A. "civil infrastructure assets" means any
25 infrastructure-fixed assets of governmental entities,

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[bracketed material] = delete

1 including, but not limited to, roads, pipelines, water and
2 wastewater treatment systems, electrical generation and
3 distribution systems, and telecommunications;

4 B. "governmental entity" means the state or any of
5 its agencies, political subdivisions, institutions or
6 instrumentalities;

7 C. "performance guarantee" means the guaranteed
8 replacement value of the restored asset or guaranteed condition
9 level over a given term that ensures that the renovation costs
10 were effectively spent for extending asset lifecycles or
11 ensures asset condition levels;

12 D. "renovation cost" means the cost of civil
13 infrastructure asset restoration, upgrading and repair,
14 including costs of financing and the performance guarantee
15 costs, with the performance guarantee provided by a third party
16 or risk pooling provider; and

17 E. "replacement value" means the estimated civil
18 infrastructure asset replacement costs, including engineering
19 and financing costs, for a governmental entity to completely
20 replace depreciated or deteriorated civil infrastructure assets
21 through the governmental entity's procurement process.

22 Section 4. AGREEMENTS FOR RENOVATION OF CIVIL
23 INFRASTRUCTURE ASSETS. -- One or more governmental entities may
24 enter into joint powers agreements or other appropriate
25 contractual arrangements:

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