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HOUSE BILL 814

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO GOVERNMENT ADMINISTRATION; REQUIRING THE GENERAL SERVICES DEPARTMENT TO PREPARE EQUIPMENT REPLACEMENT PLANS; AUTHORIZING EQUIPMENT REPLACEMENT REVOLVING FUNDS.

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

Section 1. Section 9-17-1 NMSA 1978 (being Laws 1983, Chapter 301, Section 1) is amended to read:

"9-17-1. SHORT TITLE.--~~[Sections 1 through 7 of this act]~~
Chapter 9, Article 17 NMSA 1978 may be cited as the "General Services Department Act"."

Section 2. A new section of the General Services Department Act is enacted to read:

"[NEW MATERIAL] EQUIPMENT REPLACEMENT PLANS--EQUIPMENT REPLACEMENT REVOLVING FUNDS.--

A. In order to plan for the expenditure of capital

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1 investments necessary to provide goods and services to the
2 state and its agencies and to local public bodies and other
3 enterprise customers, the general services department shall
4 establish and maintain a five-year equipment replacement plan
5 for each of the department's enterprise functions. No later
6 than December 1 of each year, the plans shall be submitted to
7 the department of finance and administration and to the
8 legislature, along with a reconciliation report reflecting
9 financial activity in the preceding fiscal year in each of the
10 equipment replacement revolving funds established pursuant to
11 this section.

12 B. Upon the request of the secretary of general
13 services, the state treasurer shall establish such "equipment
14 replacement revolving funds" in the state treasury as are
15 necessary to administer each of the general services
16 department's enterprise functions. The funds shall consist of
17 legislative appropriations to the funds and transfers made to
18 the funds pursuant to Subsections C and D of this section.
19 Income from investment of the funds shall be credited to the
20 funds, and money in the funds shall not revert at the end of a
21 fiscal year. Expenditures from the funds shall be made only
22 pursuant to an appropriation from the legislature and only for
23 the purpose of acquiring and replacing capital equipment used
24 to provide enterprise services, pursuant to the five-year
25 equipment replacement plans.

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C. The general services department shall record amounts due to the equipment replacement revolving funds each calendar quarter, based on the calculation of depreciation applicable to each enterprise as reflected in the department's published cost structures for calculation of rates for services. Transfers to the funds shall be made from the operating funds of each enterprise in amounts that reconcile with the recorded amounts due.

D. The general services department may make initial transfers from its operating funds to establish the beginning fund balances as of July 1, 2007. The transfers shall be based on amounts so designated in the audited financial statements of the department as of June 30, 2007."