

FORTY-NINTH LEGISLATURE
FIRST SESSION

March 15, 2009

HOUSE FLOOR AMENDMENT number 1 to SENATE INDIAN AND CULTURAL
AFFAIRS COMMITTEE SUBSTITUTE
FOR SENATE BILL 723

Amendment sponsored by Representative

1. On page 1, strike lines 12 through 15 in their entirety, strike line 16 through the semicolon and insert in lieu thereof "CHANGING THE AGENCY AUTHORIZED TO GRANT FUNDS FOR CERTAIN PROJECTS AUTHORIZED IN LAWS 2006, CHAPTER 41, SECTION 1 AND LAWS 2007, CHAPTER 139, SECTION 1; APPROPRIATING CERTAIN BOND PROCEEDS TO THE DEPARTMENT OF ENVIRONMENT;".

2. On page 1, strike lines 19 through 25, on page 2, strike lines 1 through 5 and insert in lieu thereof the following:

"Section 1. Section 7-27-10.1 NMSA 1978 (being Laws 2003, Chapter 134, Section 1) is amended to read:

"7-27-10.1. BONDING CAPACITY--AUTHORIZATION FOR SEVERANCE TAX BONDS--WATER PROJECTS PRIORITY.--

A. By January 15 of each year, the board of finance division of the department of finance and administration shall estimate the amount of bonding capacity available for severance tax bonds to be authorized by the legislature. The division shall authorize ten percent of the estimated bonding capacity each year, and the legislature authorizes the state board of finance to issue severance tax bonds in the annually deducted amount for use by the water trust board to fund water projects statewide, except for projects authorized in Subsection D of this section.

B. The water trust board shall certify to the state board of finance the need for issuance of bonds for water projects. The state board of finance may issue and sell the bonds in the same manner as other severance tax bonds in an amount not to exceed the authorized amount provided for in Subsection A of this section. If

FORTY-NINTH LEGISLATURE
FIRST SESSION

HF1/SIAC/SB 723

Page 2

necessary, the state board of finance shall take the appropriate steps to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the sale of the bonds are appropriated to the water project fund in the New Mexico finance authority for the purposes certified by the water trust board to the state board of finance.

C. Money from the severance tax bonds provided for in this section shall not be used to pay indirect project costs. Any unexpended balance from proceeds of severance tax bonds issued for a water project shall revert to the severance tax bonding fund within six months of completion of the water project. The New Mexico finance authority shall monitor and ensure proper reversions.

D. The board of finance division of the department of finance and administration shall:

(1) void the authorization to the water project fund held at the New Mexico finance authority to make grants or loans of severance tax bond proceeds for projects pursuant to Subsection U of Section 1 of Chapter 41 of Laws 2006 for the northwest New Mexico council of governments in McKinley county for a water distribution project and Subsection 25 of Section 1 of Chapter 139 of Laws 2007 for the Navajo Nation division of natural resources department of water resources water management branch for a regional water project in Rio Arriba, Sandoval, McKinley, San Juan and Cibola counties; and

(2) authorize the department of environment to make a grant of the unexpended proceeds of severance tax bonds issued in fiscal years 2006 and 2007 for the purposes of the water project fund to be used for the authorizations identified in Paragraph (1) of this subsection and appropriate to the department of environment five million three hundred seventy-five thousand two hundred forty-four dollars (\$5,375,244) for the Navajo Nation division of natural resources department of water resources water management branch for a regional water distribution project in Rio Arriba, Sandoval, McKinley, San Juan and Cibola counties. Any unexpended balance of the funds authorized for expenditure in this section shall revert to

FORTY-NINTH LEGISLATURE
FIRST SESSION

HF1/SIAC/SB 723

Page 3

the severance tax bonding fund at the end of fiscal year 2013 or upon completion of the project, whichever is earlier.

[D.] E. As used in this section, "water project" means a capital outlay project for:

- (1) the storage, conveyance or delivery of water to end users;
- (2) the implementation of federal Endangered Species Act of 1973 collaborative programs;
- (3) the restoration and management of watersheds;
- (4) flood prevention; or
- (5) conservation, recycling, treatment or reuse of water."".

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____