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SENATE BILL 396

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

Carlos R. Cisneros

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS FOR PUBLIC TRANSPORTATION PROGRAMS AND FOR VEHICLES USED FOR TRANSPORTATION SERVICES FUNDED BY THE AGING AND LONG-TERM SERVICES DEPARTMENT; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS.

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 fiscal years 2018 through 2022 in compliance with the Severance Tax Bonding Act in an amount not to exceed fifteen million dollars (\$15,000,000) for the purposes specified in this act; provided that no more than three million dollars (\$3,000,000) may be issued in any one

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

11 B. The agencies named in this act shall certify to
12 the state board of finance when the money from the proceeds of
13 the severance tax bonds appropriated in this section is needed
14 for the purposes specified in the applicable section of this
15 act. If an agency has not certified the need for severance tax
16 bond proceeds for a particular purpose by the end of fiscal
17 year 2022, the authorization for that purpose provided in this
18 act is void.

19 C. Before an agency may certify for the need of
20 severance tax bond proceeds, the project must be developed
21 sufficiently so that the agency reasonably expects to:

22 (1) incur within six months after the
23 applicable bond proceeds are available for the project a
24 substantial binding obligation to a third party to expend at
25 least five percent of the bond proceeds for the project; and

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1 (2) for a construction project within three
2 years and for a vehicle acquisition within two years, spend at
3 least eighty-five percent of the bond proceeds after the
4 applicable bond proceeds are available for the project.

5 D. Any unexpended or unencumbered balance remaining
6 at the end of fiscal year 2026 shall revert to the severance
7 tax bonding fund.

8 E. For the purposes of this section, "unexpended
9 balance" means the remainder of an appropriation after
10 reserving for unpaid costs and expenses covered by binding
11 written obligations to third parties.

12 SECTION 2. LOCAL GOVERNMENT DIVISION OF THE DEPARTMENT OF
13 FINANCE AND ADMINISTRATION--LOCAL TRANSPORTATION

14 PROGRAMS--PROJECT AND VEHICLE ACQUISITION.--Pursuant to the
15 provisions of Section 1 of this act, upon certification each
16 fiscal year, in fiscal years 2018 through 2022, by the local
17 government division of the department of finance and
18 administration that the need exists for the issuance of the
19 bonds, two million seven hundred thousand dollars (\$2,700,000)
20 is appropriated to the local government division of the
21 department of finance and administration to support the
22 acquisition of facilities and vehicles by county and municipal
23 governments and regional transit districts for public
24 transportation programs. The local government division of the
25 department of finance and administration shall establish

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1 procedures for the distribution of these funds.

2 SECTION 3. AGING AND LONG-TERM SERVICES DEPARTMENT--
3 TRANSPORTATION SERVICES--VEHICLE ACQUISITION.--Pursuant to the
4 provisions of Section 1 of this act, upon certification each
5 fiscal year, in fiscal years 2018 through 2022, by the aging
6 and long-term services department that the need exists for the
7 issuance of the bonds, three hundred thousand dollars
8 (\$300,000) is appropriated to the aging and long-term services
9 department for distribution statewide to governmental providers
10 of transportation services funded by the department for
11 acquisition of vehicles. The department shall establish
12 procedures for the distribution of these funds.

13 SECTION 4. EFFECTIVE DATE.--The effective date of the
14 provisions of this act is July 1, 2017.

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