

AN ACT

RELATING TO SEVERANCE TAX BONDS; AMENDING AN AUTHORIZATION FOR CERTAIN SEVERANCE TAX BONDS TO CLARIFY THE REQUIREMENTS FOR MATCHING FUNDS; DECLARING AN EMERGENCY.

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

Section 1. Section 7-27-12.1 NMSA 1978 (being Laws 1999 (1st S.S.), Chapter 5, Section 1) is amended to read:

"7-27-12.1. SEVERANCE TAX BONDS--PURPOSE FOR WHICH ISSUED--APPROPRIATION OF PROCEEDS.--The state board of finance may issue and sell severance tax bonds in fiscal years 2001 through 2010 in compliance with the Severance Tax Bonding Act in an amount not exceeding a total of twenty million dollars (\$20,000,000) when the local government division of the department of finance and administration certifies the need for the issuance of the bonds; provided that no more than four million dollars (\$4,000,000) may be issued in fiscal year 2001 and no more than two million dollars (\$2,000,000) may be issued in any one fiscal year thereafter. The state board of finance shall schedule the issuance and sale of the bonds in the most expeditious and economical manner possible upon a finding by the board that the project has been developed sufficiently to justify the issuance and that the project can proceed to contract within a reasonable time. The state board of finance shall further

take the appropriate steps necessary to comply with the Internal Revenue Code of 1986, as amended. The proceeds from the sale of the bonds are appropriated to the local government division of the department of finance and administration for the purpose of financing water and sewer distribution and collection systems in the developed and underserved areas of Bernalillo county, including areas in the city of Albuquerque. The certification and issuance of bonds for any fiscal year is contingent upon the secretary of finance and administration receiving certification from the governing body of the city of Albuquerque and the board of county commissioners of Bernalillo county that funding in an amount equal to four and one-half times the amount of bonds issued pursuant to this section, including the amount of bonds proposed to be issued for that fiscal year, has been secured from federal, city and county sources to construct the water and sewer distribution and collection systems. Any funding from federal, city and county sources in excess of the amount required for certification in any fiscal year may be carried forward and credited against the amount required in subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of fiscal year 2012 shall revert to the severance tax bonding fund. If the local government division of the department of finance and administration has not certified the need for the issuance

of the bonds by the end of fiscal year 2010, the authorization provided in this section shall expire."

Section 2. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately. _____