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SENATE BILL 664

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; REAUTHORIZING BALANCES; EXPANDING THE PURPOSE OF A SEVERANCE TAX BOND APPROPRIATION; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; REVERTING CERTAIN UNEXPENDED BALANCES OF PRIOR SEVERANCE TAX AND GENERAL FUND AND OTHER APPROPRIATIONS; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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 compliance with the Severance Tax Bonding Act in an amount not to exceed the total of the

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1 amounts authorized for purposes specified in this act. The
2 state board of finance shall schedule the issuance and sale of
3 the bonds in the most expeditious and economical manner
4 possible upon a finding by the board that the project has been
5 developed sufficiently to justify the issuance and that the
6 project can proceed to contract within a reasonable time. The
7 state board of finance shall further take the appropriate
8 steps necessary to comply with the Internal Revenue Code of
9 1986, as amended. Proceeds from the sale of the bonds are
10 appropriated for the purposes 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 authorized 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 the issuance
16 of the bonds for a particular project, including projects that
17 have been reauthorized, by the end of fiscal year 2003, the
18 authorization for that project is void.

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

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

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1 (2) spend at least eighty-five percent of the
2 bond proceeds within three years after the applicable bonds
3 have been issued.

4 D. Except as otherwise provided in this section or
5 another section of this act, the unexpended balance from the
6 proceeds of severance tax bonds issued for a project,
7 including projects that have been reauthorized, shall revert
8 to the severance tax bonding fund as follows:

9 (1) for projects for which severance tax
10 bonds were issued to match federal grants, six months after
11 completion of the project;

12 (2) for projects for which severance tax
13 bonds were issued to purchase vehicles, heavy equipment,
14 educational technology or other equipment or furniture that
15 are not related to a more inclusive construction or renovation
16 project, at the end of the fiscal year following the fiscal
17 year in which the severance tax bonds were issued for the
18 purchase; and

19 (3) for all other projects for which
20 severance tax bonds were issued, within six months of
21 completion of the project, but no later than the end of fiscal
22 year 2006.

23 E. Except for appropriations to the capital
24 program fund, money from severance tax bond proceeds provided
25 pursuant to this act shall not be used to pay indirect project

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1 costs.

2 F. For the purpose of this section, "unexpended
3 balance" means the remainder of an appropriation after costs
4 and expenses recognized in accordance with generally accepted
5 accounting principles have been paid.

6 Section 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--
7 LIMITATIONS-- REVERSIONS. --

8 A. Except as otherwise provided in this section or
9 another section of this act, the unexpended balance of an
10 appropriation made in this act from the general fund or other
11 state fund, including changes to prior appropriations, shall
12 revert to the originating fund as follows:

13 (1) for projects for which appropriations
14 were made to match federal grants, six months after completion
15 of the project;

16 (2) for projects for which appropriations
17 were made to purchase vehicles, heavy equipment, educational
18 technology or equipment or furniture that are not related to a
19 more inclusive construction or renovation project, at the end
20 of the fiscal year following the fiscal year in which the
21 appropriation was made for the purchase; and

22 (3) for all other projects for which
23 appropriations were made, within six months of completion of
24 the project, but no later than the end of fiscal year 2006.

25 B. Except for appropriations to the capital

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1 program fund, money from appropriations made in this act shall
2 not be used to pay indirect project costs.

3 C. For the purpose of this section, "unexpended
4 balance" means the remainder of an appropriation after costs
5 and expenses recognized in accordance with generally accepted
6 accounting principles have been paid.

7 Section 3. REVERSION ON PRIOR-YEAR PROJECTS--ALL FUNDING
8 SOURCES--LIMITATIONS ON PRIOR-YEAR EXPENDITURES FOR CERTAIN
9 COSTS.--

10 A. All unexpended balances of severance tax bond
11 proceeds from capital outlay projects authorized by the
12 legislature prior to 1995 shall revert to the severance tax
13 bonding fund by October 31, 2001, unless the certifying agency
14 can demonstrate to the state board of finance that:

15 (1) the project is active and there are valid
16 encumbrances on the appropriation; or

17 (2) the legislature reauthorized the project
18 after July 1, 1995 or extended its life beyond July 1, 2001
19 and the project is active.

20 B. All unexpended balances of general obligation
21 bond proceeds from capital outlay projects authorized by the
22 legislature prior to 1995 shall revert to the debt service
23 fund established by the state treasurer for the purpose of
24 paying the principal and interest on the state's general
25 obligation bonds on October 31, 2001, unless the certifying

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1 agency can demonstrate to the state board of finance that the
2 project is active and there are valid encumbrances on the
3 appropriation.

4 C. All unexpended balances remaining from
5 appropriations for capital outlay projects prior to 1995 from
6 the general fund or other state funds shall revert to the
7 originating fund by October 31, 2001, unless the agency to
8 whom the money was appropriated can demonstrate to the
9 financial control division of the department of finance and
10 administration that:

11 (1) the project is active and there are valid
12 encumbrances on the appropriation; or

13 (2) the legislature reappropriated the money
14 for the project after July 1, 1995 or extended the project's
15 life beyond July 1, 2001 and the project is active.

16 Section 4. ARMORY PROJECT STATEWIDE--STATE ARMORY
17 BOARD--SEVERANCE TAX BONDS.--Pursuant to the provisions of
18 Section 1 of this act, upon certification by the state armory
19 board that the need exists for the issuance of the bonds, one
20 million dollars (\$1,000,000) is appropriated to the state
21 armory board for the statewide armory renovation and
22 rehabilitation project.

23 Section 5. CULTURAL AFFAIRS PROJECTS--OFFICE OF CULTURAL
24 AFFAIRS--SEVERANCE TAX BONDS.--Pursuant to the provisions of
25 Section 1 of this act, upon certification by the office of

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1 cultural affairs that the need exists for the issuance of the
2 bonds, the following amounts are appropriated to the office of
3 cultural affairs for the following purposes:

4 A. nine million dollars (\$9,000,000) to plan,
5 design, construct, equip and furnish the palace of the
6 governor's annex project in Santa Fe in Santa Fe county;

7 B. four million two hundred thousand dollars
8 (\$4,200,000) to plan, design, construct, equip and furnish an
9 amphitheater at the Hispanic cultural center in Albuquerque in
10 Bernalillo county;

11 C. three hundred thousand dollars (\$300,000) to
12 construct and equip the national atomic museum in Albuquerque
13 in Bernalillo county; and

14 D. five hundred thousand dollars (\$500,000) to
15 plan, design and construct the Bosque Redondo memorial project
16 in De Baca county.

17 Section 6. LOCAL GOVERNMENT PROJECT--SEVERANCE TAX
18 BONDS.--Pursuant to the provisions of Section 1 of this act,
19 upon certification by the local government division of the
20 department of finance and administration that the need exists
21 for the issuance of the bonds, three million dollars
22 (\$3,000,000) is appropriated to the local government division
23 to make improvements to the drainage system at the northern
24 end of the balloon launch field and soccer fields, including
25 grading, irrigation and seeding, at balloon fiesta park in

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1 Albuquerque in Bernalillo county.

2 Section 7. GAME AND FISH PROJECT--SEVERANCE TAX BONDS.--

3 Pursuant to the provisions of Section 1 of this act, upon
4 certification by the department of game and fish that the need
5 exists for the issuance of the bonds, five hundred thousand
6 dollars (\$500,000) is appropriated to the department of game
7 and fish for design, land acquisition and water rights for the
8 construction of a warm water fish hatchery facility in
9 Guadalupe county.

10 Section 8. CAPITAL PROGRAM FUND--SEVERANCE TAX BONDS.--

11 Pursuant to the provisions of Section 1 of this act, upon
12 certification by the property control division of the general
13 services department that the need exists for the issuance of
14 the bonds, eleven million dollars (\$11,000,000) is
15 appropriated to the capital program fund to continue
16 converting the state's microwave radio system from analog to
17 digital technology.

18 Section 9. PUBLIC SAFETY PROJECT--SEVERANCE TAX BONDS.--

19 Pursuant to the provisions of Section 1 of this act, upon
20 certification by the department of public safety that the need
21 exists for the issuance of the bonds, three million dollars
22 (\$3,000,000) is appropriated to the department of public
23 safety to purchase and install digital radios and related
24 equipment statewide.

25 Section 10. PUBLIC SCHOOLS PROJECTS--CRITICAL CAPITAL

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1 OUTLAY--GENERAL FUND.--Five million dollars (\$5,000,000) is
2 appropriated from the general fund to the public school
3 capital outlay fund for expenditure in fiscal year 2002 to
4 carry out the provisions of the Public School Capital Outlay
5 Act. Any unexpended or unencumbered balance remaining at the
6 end of fiscal year 2002 shall not revert.

7 Section 11. LINCOLN COUNTY FAIRGROUNDS PROPERTY AND
8 EXPANSION--SEVERANCE TAX BOND APPROPRIATION--EXPAND PURPOSE.--

9 The severance tax bond proceeds appropriated to the local
10 government division of the department of finance and
11 administration pursuant to Subsection FFFF of Section 15 of
12 Chapter 23 of Laws 2000 (2nd S.S.) to renovate facilities,
13 rings and lighting and electrical and water lines at the
14 Lincoln county fairgrounds may also be expended to acquire
15 property for the expansion of the parking area at the Lincoln
16 county fairgrounds.

17 Section 12. PROJECT SCOPE--EXPENDITURES.--If an
18 appropriation for a project authorized in this act is not
19 sufficient to complete all the purposes specified, the
20 appropriation may be expended for any portion of the purposes
21 specified in the appropriation. Expenditures shall not be
22 made for purposes other than those specified in the
23 appropriation.

24 Section 13. ART IN PUBLIC PLACES.--Pursuant to Section
25 13-4A-4 NMSA 1978 and where applicable, the appropriations

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1 authorized in this act include one percent for the art in
2 public places fund.

3 Section 14. EMERGENCY.--It is necessary for the public
4 peace, health and safety that this act take effect
5 immediately.

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