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SENATE BILL 178

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

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AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF
SEVERANCE TAX BONDS; REAUTHORIZING BALANCES; CHANGING THE
PURPOSE OF A SEVERANCE TAX BOND APPROPRIATION; CHANGING A
GENERAL FUND APPROPRIATION; CLARIFYING CONDITIONS FOR THE
ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE
OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR
THE REVERSION OF UNEXPENDED BALANCES; 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 2004, 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

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 is
15 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 2007.

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

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 is 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 2007.

25 B. Except for appropriations to the capital

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. UNIVERSITY OF NEW MEXICO PROJECT--SEVERANCE
8 TAX BONDS.--Pursuant to the provisions of Section 1 of this
9 act, upon certification by the board of regents of the
10 university of New Mexico that the need exists for the issuance
11 of the bonds, one million five hundred ten thousand dollars
12 (\$1,510,000) is appropriated to the board of regents of the
13 university of New Mexico for constructing and installing
14 equipment at the manufacturing training and technology center
15 cleanroom at the university of New Mexico in Albuquerque in
16 Bernalillo county.

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

24 Section 5. WASTEWATER FACILITY CONSTRUCTION LOAN FUND--
25 DEPARTMENT OF ENVIRONMENT--SEVERANCE TAX BONDS.--Pursuant to

1 the provisions of Section 1 of this act, upon certification by
2 the department of environment that the need exists for the
3 issuance of the bonds, one million five hundred thousand
4 dollars (\$1,500,000) is appropriated to the wastewater
5 facility construction loan fund to carry out the provisions of
6 the Wastewater Facility Construction Loan Act.

7 Section 6. PUBLIC SCHOOLS PROJECTS--CRITICAL CAPITAL
8 OUTLAY--GENERAL FUND.--Five million dollars (\$5,000,000) is
9 appropriated from the general fund to the public school
10 capital outlay fund for expenditure in fiscal year 2003 to
11 carry out the provisions of the Public School Capital Outlay
12 Act. Any unexpended or unencumbered balance remaining at the
13 end of fiscal year 2003 shall not revert.

14 Section 7. RIO GRANDE HISTORIC THEATER--SEVERANCE TAX
15 BOND AND GENERAL FUND APPROPRIATIONS--CHANGE AGENCY AND EXPAND
16 PURPOSE TO CONSTRUCT THE THEATER.--

17 A. The proceeds from the sale of severance tax
18 bonds appropriated to the office of cultural affairs pursuant
19 to Subsection E of Section 6 of Chapter 23 of Laws 2000 (2nd
20 S.S.) to furnish and equip the Rio Grande historic theater as
21 a performing arts center in Las Cruces in Dona Ana county
22 shall be expended for the original purpose but are
23 reauthorized and appropriated to the local government division
24 of the department of finance and administration.

25 B. The general fund appropriation made to the

1 office of cultural affairs pursuant to Laws 2000 (2nd S.S.),
2 Chapter 23, Section 38 to renovate, furnish and equip the Rio
3 Grande historic theater to be used as a performing arts center
4 in Las Cruces in Dona Ana county is appropriated to the local
5 government division of the department of finance and
6 administration and may also be expended to construct the Rio
7 Grande historic theater as a performing arts center in Las
8 Cruces in Dona Ana county.

9 Section 8. PROJECT SCOPE--EXPENDITURES.--If an
10 appropriation for a project authorized in this act is not
11 sufficient to complete all the purposes specified, the
12 appropriation may be expended for any portion of the purposes
13 specified in the appropriation. Expenditures shall not be
14 made for purposes other than those specified in the
15 appropriation.

16 Section 9. ART IN PUBLIC PLACES.--Pursuant to Section
17 13-4A-4 NMSA 1978 and where applicable, the appropriations
18 authorized in this act include one percent for the art in
19 public places fund.

20 Section 10. EMERGENCY.--It is necessary for the public
21 peace, health and safety that this act take effect immediately.