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HOUSE BILL 200

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; REAUTHORIZING BALANCES; CHANGING 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; 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 amounts authorized for purposes specified in this act. The state board

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

10 B. The agencies named in this act shall certify to
11 the state board of finance when the money from the proceeds of
12 the severance tax bonds authorized in this section is needed
13 for the purposes specified in the applicable section of this
14 act. If an agency has not certified the need for the issuance
15 of the bonds for a particular project, including projects that
16 have been reauthorized, by the end of fiscal year 2005, the
17 authorization for that project is void.

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

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

25 (2) spend at least eighty-five percent of the

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1 bond proceeds within three years after the applicable bonds
2 have been issued.

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

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

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

17 (3) for projects for which severance tax bonds
18 were issued to purchase emergency vehicles or other vehicles
19 that require special equipment, at the end of the fiscal year
20 two years following the fiscal year in which the severance tax
21 bonds were issued for the purchase; and

22 (4) for all other projects for which severance
23 tax bonds were issued, within six months of completion of the
24 project, but no later than the end of fiscal year 2008.

25 E. Except for appropriations to the capital program

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1 fund, money from severance tax bond proceeds provided pursuant
2 to this act shall not be used to pay indirect project costs.

3 F. For the purpose of this section, "unexpended
4 balance" means the remainder of an appropriation after
5 reserving for unpaid costs and expenses covered by binding
6 written obligations to third parties.

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

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

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

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

23 (3) for projects for which appropriations were
24 made to purchase emergency vehicles or other vehicles that
25 require special equipment, at the end of the fiscal year two

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1 years following the fiscal year in which the severance tax
2 bonds were issued for the purchase; and

3 (4) for all other projects for which
4 appropriations were made, within six months of completion of
5 the project, but no later than the end of fiscal year 2008.

6 B. Except for appropriations to the capital program
7 fund, money from appropriations made in this act shall not be
8 used to pay indirect project costs.

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

13 Section 3. ROAD PROJECTS--STATE HIGHWAY AND
14 TRANSPORTATION DEPARTMENT--SEVERANCE TAX BONDS. --Pursuant to
15 the provisions of Section 1 of this act, upon certification by
16 the state highway and transportation department that the need
17 exists for the issuance of the bonds, the following amounts are
18 appropriated to the state highway and transportation department
19 for the following purposes:

20 A. eight hundred sixty thousand dollars (\$860,000)
21 to plan, design and construct improvements to Los Lentos road
22 in Los Lunas in Valencia county;

23 B. one hundred seventy-five thousand dollars
24 (\$175,000) for improvements to Carson drive in Los Lunas in
25 Valencia county; and

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1 C. one hundred thousand dollars (\$100,000) for
2 paving and drainage on Sile road between the Pueblo of Santo
3 Domingo and Sile in Sandoval county.

4 Section 4. INSTITUTE OF AMERICAN INDIAN ARTS PROJECT--NEW
5 MEXICO OFFICE OF INDIAN AFFAIRS--SEVERANCE TAX BONDS.--Pursuant
6 to the provisions of Section 1 of this act, upon certification
7 by the New Mexico office of Indian affairs that the need exists
8 for the issuance of the bonds, two million dollars (\$2,000,000)
9 is appropriated to the New Mexico office of Indian affairs to
10 plan, design and construct a lifelong learning center at the
11 institute of American Indian arts in Santa Fe county.

12 Section 5. SAN JUAN COLLEGE PROJECT--SEVERANCE TAX
13 BONDS.--Pursuant to the provisions of Section 1 of this act,
14 upon certification by the governing board of San Juan college
15 that the need exists for the issuance of the bonds, six hundred
16 fifty thousand dollars (\$650,000) is appropriated to the
17 governing board of San Juan college to construct and equip a
18 recreational complex at San Juan college in Farmington in San
19 Juan county.

20 Section 6. WATER SURVEY--OFFICE OF THE STATE ENGINEER--
21 GENERAL FUND.--Fifty thousand dollars (\$50,000) is appropriated
22 from the general fund to the office of the state engineer for
23 expenditure in fiscal years 2003 through 2008 to conduct a
24 water survey of the east mountain area of Sandoval, Santa Fe
25 and Bernalillo counties. Any unexpended balance remaining at

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1 the end of fiscal year 2008 shall revert to the general fund.

2 Section 7. NAVAJO CODE TALKER MEMORIAL-- CHANGE AGENCY AND
3 LOCATION OF A SEVERANCE TAX BOND APPROPRIATION. --The proceeds
4 from the sale of severance tax bonds appropriated to the New
5 Mexico office of Indian affairs pursuant to Subsection 39 of
6 Section 20 of Chapter 110 of Laws 2002 to plan, design and
7 construct a Navajo code talker memorial at Red Rock state park
8 in McKinley county shall not be expended for the original
9 purpose but are reauthorized and appropriated to the local
10 government division of the department of finance and
11 administration to plan, design and construct a Navajo code
12 talker memorial in Gallup, in Red Rock state park or in an
13 appropriate location near Gallup in McKinley county.

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

20 Section 9. ART IN PUBLIC PLACES. --Pursuant to Section
21 13-4A-4 NMSA 1978 and where applicable, the appropriations
22 authorized in this act include one percent for the art in
23 public places fund.

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

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