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HOUSE BILL 293

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

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 2006, 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 2009.

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 2009.

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. WATER PROJECTS--WATER PROJECT FINANCE ACT
14 PROVISIONS--GENERAL FUND.--Twenty million dollars (\$20,000,000)
15 is appropriated from the general fund to the water project fund
16 for expenditure in fiscal year 2005 and subsequent fiscal years
17 to support water projects pursuant to the provisions of the
18 Water Project Finance Act. Any unexpended balance remaining at
19 the end of a fiscal year shall not revert to the general fund.

20 Section 4. MINERS' COLFAX MEDICAL CENTER--MINERS' TRUST
21 FUND.--Four million dollars (\$4,000,000) is appropriated from
22 the miners' trust fund to the board of trustees of miners'
23 Colfax medical center for expenditure in fiscal years 2004
24 through 2009 for improvements at miners' Colfax medical center
25 in Raton in Colfax county. Any unexpended balance remaining at

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1 the end of fiscal year 2009 shall revert to the miners' trust
2 fund.

3 Section 5. STATE BUILDING PROJECTS--PUBLIC BUILDINGS
4 REPAIR FUND--SEVERANCE TAX BOND APPROPRIATION TO FUND--
5 APPROPRIATION FROM FUND TO CAPITAL PROGRAM FUND.--

6 A. Pursuant to the provisions of Section 1 of this
7 act, upon certification by the property control division of the
8 general services department that the need exists for the
9 issuance of the bonds, eight million dollars (\$8,000,000) is
10 appropriated to the public buildings repair fund for statewide
11 repairs of state-owned facilities.

12 B. Eight million dollars (\$8,000,000) is
13 appropriated from the public buildings repair fund to the
14 capital program fund for expenditure in fiscal years 2004
15 through 2009 for statewide repairs of state-owned facilities.
16 Any unexpended balance remaining at the end of fiscal year 2009
17 shall revert to the public buildings repair fund.

18 Section 6. MEXICAN SPRINGS FOOD DISTRIBUTION CENTER AND
19 WAREHOUSE--CHANGE PURPOSE TO RENOVATE AN EXISTING BUILDING IN
20 MEXICAN SPRINGS IN MCKINLEY COUNTY.--The proceeds from the sale
21 of severance tax bonds appropriated to the New Mexico office of
22 Indian affairs pursuant to Subsection B of Section 18 of
23 Chapter 118 of Laws 1998, and reauthorized in Laws 2002,
24 Chapter 99, Section 56, to plan, design and construct a food
25 distribution center and warehouse in Mexican Springs in

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1 McKinley county shall not be expended for the original or
2 reauthorized purpose but are reauthorized and appropriated to
3 renovate an existing building in Mexican Springs in McKinley
4 county.

5 Section 7. PROJECT SCOPE--EXPENDITURES.--If an
6 appropriation for a project authorized in this act is not
7 sufficient to complete all the purposes specified, the
8 appropriation may be expended for any portion of the purposes
9 specified in the appropriation. Expenditures shall not be made
10 for purposes other than those specified in the appropriation.

11 Section 8. ART IN PUBLIC PLACES.--Pursuant to Section
12 13-4A-4 NMSA 1978 and where applicable, the appropriations
13 authorized in this act include one percent for the art in
14 public places fund.

15 Section 9. EMERGENCY.--It is necessary for the public
16 peace, health and safety that this act take effect immediately.