1	SENATE BILL 998
2	47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005
3	INTRODUCED BY
4	Phil A. Griego
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10	AN ACT
11	RELATING TO INFRASTRUCTURE ASSETS OF THE STATE AND ITS
12	POLITICAL SUBDIVISIONS; ENACTING THE INFRASTRUCTURE RENOVATION
13	AND PERFORMANCE GUARANTEE ACT; AUTHORIZING GOVERNMENTAL
14	ENTITIES TO ENTER INTO AGREEMENTS FOR THE RENOVATION OF CERTAIN
15	INFRASTRUCTURE.
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17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:
18	Section 1. SHORT TITLEThis act may be cited as the
19	"Infrastructure Renovation and Performance Guarantee Act".
20	Section 2. FINDINGS AND PURPOSE
21	A. The legislature finds that:
22	(1) adequate infrastructure, including, but
23	not limited to, roads, pipelines, water and wastewater
24	treatment, electrical generation and distribution, and
25	telecommunications, is basic to the health, safety and welfare
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1 of all New Mexicans;

2	(2) governmental efforts and resources have
3	not been sufficient to create and maintain a consistent and
4	adequate condition level of infrastructure statewide;
5	(3) failure to maintain the infrastructure may
6	create a drag on the local economy and can encourage population
7	and corporate flight while discouraging new private investment
8	or reinvestment; and
9	(4) compliance with governmental accounting
10	standards board statements numbers 34 and 35 with regard to the
11	net value of infrastructure assets is of financial benefit to
12	state and local governmental entities.
13	B. The purpose of the Infrastructure Renovation and
14	Performance Guarantee Act is to authorize governmental entities
15	to enter into agreements:
16	(1) for the restoration of depreciated or
17	deteriorated civil infrastructure assets for which the
18	renovation costs are less than the replacement value;
19	(2) that provide for the financing of the
20	restoration; and
21	(3) that include performance guarantees.
22	Section 3. DEFINITIONSAs used in the Infrastructure
23	Renovation and Performance Guarantee Act:
24	A. "civil infrastructure assets" means any
25	infrastructure-fixed assets of governmental entities,
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including, but not limited to, roads, pipelines, water and wastewater treatment systems, electrical generation and distribution systems, and telecommunications;

B. "governmental entity" means the state or any of
its agencies, political subdivisions, institutions or
instrumentalities;

C. "performance guarantee" means the guaranteed replacement value of the restored asset or guaranteed condition level over a given term that ensures that the renovation costs were effectively spent for extending asset lifecycles or ensures asset condition levels;

D. "renovation cost" means the cost of civil infrastructure asset restoration, upgrading and repair, including costs of financing and the performance guarantee costs, with the performance guarantee provided by a third party or risk pooling provider; and

E. "replacement value" means the estimated civil infrastructure asset replacement costs, including engineering and financing costs, for a governmental entity to completely replace depreciated or deteriorated civil infrastructure assets through the governmental entity's procurement process.

Section 4. AGREEMENTS FOR RENOVATION OF CIVIL INFRASTRUCTURE ASSETS.--One or more governmental entities may enter into joint powers agreements or other appropriate contractual arrangements:

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1 A. for the purpose of renovating depreciated or deteriorated civil infrastructure assets for which the 2 3 renovation costs plus other associated costs are less than the replacement value; 4 that provide for the financing of the **B**. 5 6 restoration: and 7 C. that provide for performance guarantees provided by a third party or risk pooling provider. 8 9 Section 5. CUMULATIVE AUTHORITY. -- The Infrastructure 10 Renovation and Performance Guarantee Act shall be deemed to 11 provide an additional and alternative method for the renovation 12 of civil infrastructure assets by governmental entities that 13 may also provide governmental entities financial flexibility, 14 deferral of rate increases and compliance with governmental 15 accounting standards relative to asset management and 16 determination of asset values. The Infrastructure Renovation 17 and Performance Guarantee Act shall be interpreted as 18 supplemental and additional to the powers conferred by other 19 laws and shall not be regarded as in derogation of any powers 20 now existing. 21 LIBERAL INTERPRETATION. -- The Infrastructure Section 6. 22 Renovation and Performance Guarantee Act, being necessary for 23 the welfare of the state and its inhabitants, shall be 24 liberally construed to effect the purposes thereof.

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