

March 11, 2014

HOUSE EXECUTIVE MESSAGE NO. 142

The Honorable W. Ken Martinez, Speaker of the House and  
Members of the House of Representatives  
State Capitol Building  
Santa Fe, NM 87501

Honorable Speaker Martinez and Members of the House:

As I have frequently noted, I firmly believe that when capital outlay funds are used correctly, they can achieve two overriding goals for communities throughout the state. First, they can result in substantial construction projects that put local contractors to work and also lead to the hiring of new employees and the purchase of materials from small businesses. Second, they can represent an investment in critical infrastructure projects that stretch across local jurisdictions and, in many cases, have price tags that local governments would not be able to afford on their own.

I also believe that the capital outlay process provides an opportunity for the State to focus substantial resources toward solving infrastructure-related problems that are long-standing, expensive to remedy, capable of disrupting public life, and threatening public safety. Since I took office, New Mexico has experienced two of the worst fire seasons on record, and after each summer's fire season has concluded, we have faced devastating floods in their wake. Dams have failed or come dangerously close to failing, and watersheds have been thoroughly damaged. We have seen towns go completely dry and cities like Las Vegas struggle annually to keep enough water in their system for their residents to drink.

The water crisis we face is real, and it is serious. Sadly, we cannot control the duration or intensity of the drought we face. But, as I said in my State of the State address, we can certainly control our response to it.

This year, I asked the Legislature to allocate sixty percent of the available capital outlay dollars – or roughly \$111 million – toward critical water infrastructure projects throughout the State of New Mexico. Our goals for this funding were straightforward:

- (1) Watersheds that have been damaged by fires and floods should be repaired.

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(2) Dams that are faltering or leaking should be fixed in order to better store water and serve as barriers to keep surrounding residents safe.

(3) Cities and towns that are at risk of going dry because they do not have basic back-up water supply systems should be aided so that their residents and businesses can have peace of mind and better economic certainty.

(4) And, when a New Mexico business or family turns on the tap, the water that flows from it should be clean and safe.

I believe that investing in water infrastructure is a key to long-term economic growth in New Mexico. Attracting and retaining businesses is difficult if water is scarce, unclean, or at risk of being lost at a moment's notice. Water serves as a key component of commerce, supports tourism in our state in a variety of ways, and is as important to dairy farmers in Portales as it is to micro-chip makers at Intel in Rio Rancho.

Simply put, given the times we face, I could not envision a more worthy investment of capital dollars than repairing our failing water infrastructure. While the bill I'm signing today fell short of allocating the full amount I requested for water infrastructure projects, I am pleased and encouraged that it does contain \$89 million worth of funding for these efforts. And despite the resistance by some lawmakers to join with me in focusing on water infrastructure this year, I must say that it was pleasing to see the outpouring of support from cities and towns throughout our state. Indeed, it was revealing as well – a sign of just how severely lacking our statewide water infrastructure currently is.

The water projects authorized in this bill are located in virtually every corner of our state, and they meet the unique water challenges being faced in each area of New Mexico.

Towns like Santa Cruz, Gabaldon, and Algodones will be able to begin making the repairs necessary to ensure that their residents have clean water; they are three of more than 20 communities that I anticipate being able to have clean water for the first time in many years as a result of this legislation.

This funding should be able to help towns like Willard, La Bajada, Magdalena, Maxwell, and Vaughn prevent the same sort of water supply and water quality emergencies that we've seen in the past from occurring again.

\$8.7 million is allocated toward watershed restoration efforts, and I have included an additional \$1.5 million for the River Stewards Initiative to help us ensure healthy and vibrant river ecosystems around the state.

To help with the perennial water supply emergencies in Las Vegas, this bill allocates \$10 million to improvements at Bradner Dam, at the request of local officials. Numerous other dams are slated for improvement around communities like Raton, Ruidoso, and Cimarron.

We are investing in a desalination facility in Alamogordo that could dramatically improve the city's water supply and mark a key turning point with respect to innovation in the field of water management.

We will upgrade critical water and wastewater treatment systems in dozens of communities, including a large-scale, necessary project in Chama. And, as we have seen in previous years, we are investing in water infrastructure in the Santa Teresa area to provide for the booming economic growth occurring in the region – with the intention to ensure that this growth can continue for years to come.

Beyond water projects, it is also fair to say that the lion's share of remaining capital outlay dollars were allocated toward other core infrastructure improvement areas – including repairs of public school facilities, necessary improvements of our roads and highways, and the construction or repair of public buildings all over New Mexico.

In addition, there is now sufficient funding to complete the southern road to the Spaceport; we have allocated \$5 million to complete infrastructure projects designed specifically to recruit new businesses to the State; and, we are wisely (and heavily) investing in broadband IT projects to improve the access of schools to the Internet and enhance the public safety network used by law enforcement officers to communicate with one another.

Since receiving this legislation, I have worked with my staff, legislators, and local leaders to examine the list of capital projects line by line. All told, I have authorized funding for \$182 million worth of severance tax bond projects and \$46 million worth of projects utilizing other funds, while vetoing nearly \$2.6 million worth of projects in the bill.

I continue to see important progress being made, with respect to legislators committing enough funding to complete meaningful phases of projects, or in many cases, entire projects. We are also seeing more local delegations of legislators pooling their requests for capital outlay dollars in order to complete larger, more regional projects that local communities have a difficult time funding themselves. These developments are encouraging, and I am hopeful that the State will make even more progress on this front in future years.

In making funding decisions, we balanced various features of each project (given the information to which we had access) against a set of criteria that should drive the use of state capital outlay funds. Let me be clear: every project in this legislation likely has merit. A line-item veto does not indicate my feelings toward the worth or value of the project.

Though far less than in previous years, there were still some local projects in the bill that are not “shovel ready.” There were still projects that were so under-funded that the funds could not be used in any meaningful way. There were still projects that aimed to use 10-

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year bonds for items that will not serve a public use for that amount of time. There were still projects that community officials, when asked, said that they did not need or desire. And, there were plenty of projects for which other sources of funding would have been much more appropriate.

But, as noted, there were fewer of these critical deficiencies than in years past, and I want to echo the praise I delivered last year for the efforts by local communities to communicate earlier and more often with the Legislature, the Department of Finance and Administration, and my office about the priority projects in their areas.

As a rule, we worked to ensure that capital projects that remained authorized in this legislation can be found in communities throughout the state, and decisions on funding were made without regard to the party of the legislator who may have supported the project.

It should be the goal of every legislator to work together to make critical improvements to the infrastructure of our state – which often serves as the foundation and pathway for commerce and economic growth. When we invest wisely, better prioritize, and put a premium on construction projects that improve our infrastructure, we can put New Mexicans to work and maximize the impact of these bond dollars.

I have this day SIGNED HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR HOUSE BILL 55, as amended, with emergency clause, enacted by the Fifty-First Legislature, Second Session, 2014, except the following part or parts, item or items, which I have vetoed pursuant to Article IV, Section 22 of the Constitution of the State of New Mexico:

On page 6, I have vetoed all of lines 20 through 23.

On page 7, I have vetoed all of lines 7 through 10.

On page 9, I have vetoed all of lines 14 through 16.

On page 11, on line 8 I have vetoed the semicolon and the word “and”.

On page 11, I have vetoed all of lines 9 and 10, and on line 11, I have vetoed from the beginning of the line through the word “county”.

On page 11, on line 22, I have vetoed the semicolon.

On page 11, I have vetoed all of lines 23 through 25, and on page 12, I have vetoed all of line 1.

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On page 12, I have vetoed all of lines 2 through 3, and on line 4, I have vetoed from the beginning of the line through the word “county”.

On page 12, I have vetoed all of lines 19 through 23.

On page 14, I have vetoed all of lines 10 through 13.

On page 31, I have vetoed all of lines 24 through 25, and on page 32, I have vetoed all of lines 1 through 2.

On page 40, I have vetoed all of lines 13 through 16.

On page 41, I have vetoed all of lines 22 through 25.

On page 42, I have vetoed all of lines 11 through 14.

On page 46, I have vetoed all of lines 19 through 22.

On page 49, I have vetoed all of lines 5 through 9.

On page 53, I have vetoed all of lines 18 through 20.

On page 54, on line 15, I have vetoed from the beginning of the line through the word “and”.

On page 54, I have vetoed all of lines 18 through 21.

On page 54, I have vetoed all of lines 22 through 24.

On page 55, I have vetoed all of lines 3 through 5.

On page 55, I have vetoed all of lines 9 through 11.

On page 62, on line 3, I have vetoed beginning with the word “phase” through the remainder of the line, and on line 4, I have vetoed the word “collection”.

On page 64, I have vetoed all of lines 20 through 22.

On page 70, I have vetoed all of lines 14 through 17.

On page 73, on line 21, I have vetoed the words “and to”, I have vetoed all of line 22, and on line 23, I have vetoed the word “improvements”.

On page 77, I have vetoed all of lines 3 through 5.

On page 84, I have vetoed all of lines 5 through 9.

On page 85, I have vetoed all of lines 9 through 11.

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On page 86, I have vetoed all of lines 9 through 12.

On page 87, I have vetoed all of lines 5 through 7.

On page 90, I have vetoed all of lines 10 through 12.

On page 91, I have vetoed all of lines 2 through 5.

On page 91, on line 12, I have vetoed the semicolon and the word “and”.

On page 91, I have vetoed all of lines 13 and 14, and on line 15, I have vetoed from the beginning of the line through the word “county”.

On page 92, on line 19, I have vetoed the words “and to pay off a loan”.

On page 92, on line 21, after the number “(\$25,000)”, I have vetoed the remainder of the line, and on line 22, I have vetoed from the beginning of the line through the word “and”.

On page 93, on line 23, I have vetoed the second instance of the word “and”, and beginning with the word “pay” through the remainder of the line.

On page 97, I have vetoed all of lines 21 through 25.

On page 98, I have vetoed all of lines 1 through 3.

On page 100, I have vetoed all of lines 12 through 15.

On page 100, I have vetoed all of lines 16 through 19.

On page 101, I have vetoed all of lines 12 through 14.

On page 104, I have vetoed all of lines 24 and 25, and on page 105, I have vetoed all of lines 1 and 2.

On page 105, I have vetoed all of lines 10 through 12.

On page 106, I have vetoed all of lines 7 through 10.

On page 106, I have vetoed all of lines 16 through 20.

On page 107, I have vetoed all of lines 10 through 12.

On page 107, I have vetoed all of lines 20 through 22.

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On page 108, I have vetoed all of lines 5 through 7.

On page 108, I have vetoed all of lines 11 through 15.

On page 108, I have vetoed all of lines 16 through 18.

On page 110, I have vetoed all of lines 8 through 11.

On page 119, I have vetoed all of lines 18 through 20.

On page 120, I have vetoed all of lines 7 through 10.

On page 120, I have vetoed all of lines 11 through 13.

On page 120, I have vetoed all of lines 14 through 16.

On page 122, I have vetoed all of lines 2 through 4.

On page 122, I have vetoed all of lines 5 through 6.

On page 122, I have vetoed all of lines 21 through 23.

On page 123, on line 14, I have vetoed the words “and signage”.

On page 124, I have vetoed all of lines 6 through 8.

On page 126, I have vetoed all of lines 15 through 18.

On page 135, I have vetoed all of lines 19 through 21.

On page 137, I have vetoed all of lines 7 through 10.

On page 137, I have vetoed all of lines 11 through 14.

On page 137, I have vetoed all of lines 15 through 17.

On page 141, I have vetoed all of lines 22 through 24.

On page 148, I have vetoed all of lines 1 through 3.

On page 149, I have vetoed all of lines 21 through 25, and on page 150, I have vetoed all of line 1.

On page 150, I have vetoed all of lines 14 through 17.

On page 152, on line 2, I have vetoed the word “columbaria,” and on line 3, I have vetoed from the beginning of the line through the word “at”.

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Respectfully yours,

Susana Martinez

Governor

RECEIVED FROM THE OFFICE OF THE GOVERNOR

Time: \_\_\_\_\_ a.m. p.m.

Date: \_\_\_\_\_, 2014

By \_\_\_\_\_  
Secretary of State

Time: \_\_\_\_\_ a.m. p.m.

Date: \_\_\_\_\_, 2014

By \_\_\_\_\_  
Chief Clerk of the House