

March 12, 2014

SENATE EXECUTIVE MESSAGE NO. 118

The Honorable Mary Kay Papen, President Pro Tempore and
Members of the New Mexico State Senate
State Capitol Building
Santa Fe, New Mexico 87501

Honorable President Pro Tempore Papen and Members of the Senate:

Pursuant to the Constitution of the State of New Mexico, Article IV, Section 22, I hereby VETO and return the SENATE FINANCE COMMITTEE SUBSTITUTE FOR SENATE CONSERVATION COMMITTEE SUBSTITUTE FOR SENATE BILL 112, as amended, with emergency clause, enacted by the Fifty-First Legislature, Second Session, 2014.

My veto of Senate Bill 112 (SB 112) will not prevent the Water Trust Board (Board) from fully allocating available funds from the Water Project Fund (Fund) during the current funding cycle. There are numerous worthy water projects that the Legislature previously authorized for funding from the Fund. Those previous authorizations are unaffected by my veto of SB 112. By vetoing this bill, I am actually increasing, by over 12%, the number of projects that the Board may consider this spring for funding in this time of extreme drought and additional demands on our water systems.

SB 112 would have superseded previous legislative authorizations by enacting a new and permanent section of the Water Project Finance Act, pursuant to which the New Mexico Finance Authority could only fund those projects (if any) authorized in the most recent regular legislative session. In addition, the Legislature removed – without justification or public review and comment – 56 water projects from the bill proposed by the Board and endorsed by the New Mexico Finance Authority Oversight Committee. Moreover, neither the Office of the State Engineer nor the New Mexico Environment Department were consulted on these changes. The consequence of those two actions would have been to reduce the number of projects the Board could consider for funding this spring.

The wholesale removal of projects from the list proposed by the Board would have undermined the significant efforts of the Board over the past few years to make the Fund program more transparent, more accountable to the public on how taxpayer dollars are

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spent, more in conformity with best practices for capital outlay and project development, better aligned with priorities identified in state and regional water plans, and fairer to applicants.

SB 112's passage through the Legislature raises other concerns. Following the well-established process for securing legislative authorization for funding projects pursuant to the Water Project Finance Act, SB 112 started as a New Mexico Finance Authority Oversight Committee-endorsed bill with a specific and narrow purpose: the authorization of specific projects. As it made its way through the Senate, SB 112 was fundamentally altered and its purpose changed from a project authorization bill to a bill that would have also amended the Water Project Finance Act in a significant manner. Specifically, as passed by the Legislature, SB 112 would change the Board's membership and enact the permanent lapse provision described above, pursuant to which legislative authorization for a water project would become void if the project was not funded before the end of the next regular legislative session. Article IV, Section 15 of the New Mexico Constitution prohibits such profound alterations of bills during their passage through either house.

In addition, these substantive changes were not considered during the interim by the New Mexico Finance Authority Oversight Committee and were adopted during this session without any public testimony or input. The changes are substantive and deserve careful consideration and open debate, outside of the context of a bill that authorizes funding for specific projects.

I invite the Legislature to work with my staff to address and resolve the concerns raised by this bill.

Respectfully yours,

Susana Martinez
Governor

RECEIVED FROM THE OFFICE OF THE GOVERNOR

Time: _____ a.m. p.m.

Date: _____, 2014

By _____
Secretary of State

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Time: _____ a.m. p.m.

Date: _____, 2014

By _____
Chief Clerk of the Senate