

1 SENATE BILL 462

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Carlos R. Cisneros

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10 AN ACT

11 RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF
12 SEVERANCE TAX BONDS; AUTHORIZING EXPENDITURES FROM CERTAIN
13 FUNDS AND BALANCES; CLARIFYING CONDITIONS FOR THE ISSUANCE OF
14 BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE
15 TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF
16 UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN
17 EMERGENCY.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. SEVERANCE TAX BONDS--AUTHORIZATIONS--
21 APPROPRIATION OF PROCEEDS.--

22 A. The state board of finance may issue and sell
23 severance tax bonds in compliance with the Severance Tax
24 Bonding Act in an amount not to exceed the total of the amounts
25 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 federal Internal Revenue Code of 1986, as
8 amended. Proceeds from the sale of the bonds are appropriated
9 for the 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 appropriated 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 severance tax
15 bond proceeds for a particular project by the end of fiscal
16 year 2019, the authorization for that project is void.

17 C. Before an agency may certify for the need of
18 severance tax bond proceeds, the project must be developed
19 sufficiently so that the agency reasonably expects to:

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

24 (2) spend at least eighty-five percent of the
25 bond proceeds within three years after the applicable bond

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1 proceeds are available for the project.

2 D. Except as otherwise specifically provided by
3 law:

4 (1) the unexpended balance from the proceeds
5 of severance tax bonds appropriated in this act for a project
6 shall revert to the severance tax bonding fund no later than
7 the following dates:

8 (a) for a project for which severance
9 tax bond proceeds were appropriated to match federal grants,
10 six months after completion of the project;

11 (b) for a project for which severance
12 tax bond proceeds were appropriated to purchase vehicles,
13 including emergency vehicles and other vehicles that require
14 special equipment; heavy equipment; books; educational
15 technology; or other equipment or furniture that is not related
16 to a more inclusive construction or renovation project, at the
17 end of the fiscal year two years following the fiscal year in
18 which the severance tax bond proceeds were made available for
19 the purchase; and

20 (c) for any other project for which
21 severance tax bonds were appropriated, within six months of
22 completion of the project, but no later than the end of fiscal
23 year 2021; and

24 (2) all remaining balances from the proceeds
25 of severance tax bonds appropriated for a project in this act

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1 shall revert to the severance tax bonding fund three months
2 after the latest reversion date specified for that type of
3 project in Paragraph (1) of this subsection.

4 E. Except for appropriations to the capital program
5 fund, money from severance tax bond proceeds provided pursuant
6 to this act shall not be used to pay indirect project costs.

7 F. Except for a project that was originally funded
8 using a tax-exempt loan or bond issue, a project involving
9 repayment of debt previously incurred shall be funded through
10 the issuance of taxable severance tax bonds with a term that
11 does not extend beyond the fiscal year in which they are
12 issued.

13 G. For the purpose of this section, "unexpended
14 balance" means the remainder of an appropriation after
15 reserving for unpaid costs and expenses covered by binding
16 written obligations to third parties.

17 SECTION 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--
18 LIMITATIONS--REVERSIONS.--

19 A. Except as otherwise specifically provided by
20 law:

21 (1) the unexpended balance of an appropriation
22 made in this act from the general fund or other state funds
23 shall revert no later than the following dates:

24 (a) for a project for which an
25 appropriation was made to match federal grants, six months

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1 after completion of the project;

2 (b) for a project for which an
3 appropriation was made to purchase vehicles, including
4 emergency vehicles and other vehicles that require special
5 equipment; heavy equipment; books; educational technology; or
6 other equipment or furniture that is not related to a more
7 inclusive construction or renovation project, at the end of the
8 fiscal year two years following the fiscal year in which the
9 appropriation was made for the purchase; and

10 (c) for any other project for which an
11 appropriation was made, within six months of completion of the
12 project, but no later than the end of fiscal year 2021; and

13 (2) all remaining balances from an
14 appropriation made in this act for a project shall revert three
15 months after the latest reversion date specified for that type
16 of project in Paragraph (1) of this subsection.

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

20 C. Except as provided in Subsection E of this
21 section, the balance of an appropriation made from the general
22 fund shall revert in the time frame set forth in Subsection A
23 of this section to the capital projects fund.

24 D. Except as provided in Subsection E of this
25 section, the balance of an appropriation made from other state

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1 funds shall revert in the time frame set forth in Subsection A
2 of this section to the originating fund.

3 E. The balance of an appropriation made from the
4 general fund or other state funds to the Indian affairs
5 department or the aging and long-term services department for a
6 project located on lands of an Indian nation, tribe or pueblo
7 shall revert in the time frame set forth in Subsection A of
8 this section to the tribal infrastructure project fund.

9 F. 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. ADMINISTRATIVE OFFICE OF THE COURTS PROJECT--
14 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
15 of this act, upon certification by the administrative office of
16 the courts that the need exists for the issuance of the bonds,
17 one million dollars (\$1,000,000) is appropriated to the
18 administrative office of the courts to purchase and install
19 high density security equipment and for related infrastructure
20 improvements at magistrate courts and judicial district courts
21 statewide.

22 SECTION 4. CAPITAL PROGRAM FUND PROJECTS--SEVERANCE TAX
23 BONDS.--Pursuant to the provisions of Section 1 of this act,
24 upon certification by the facilities management division of the
25 general services department that the need exists for the

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1 issuance of the bonds, the following amounts are appropriated
2 to the capital program fund for the following purposes:

3 1. seven million five hundred thousand dollars
4 (\$7,500,000) to plan, design, construct, renovate, equip,
5 repair, purchase and install equipment and improve
6 infrastructure, including roofs, security upgrades and
7 replacement of heating, ventilation and air conditioning
8 systems, at correctional facilities statewide;

9 2. two million eight hundred thousand dollars
10 (\$2,800,000) to plan, design, construct, renovate, purchase and
11 install infrastructure improvements and equipment, including
12 security system upgrades and servers, security reception
13 stations, lighting and kitchen upgrades, at children, youth and
14 families department juvenile facilities statewide;

15 3. six million dollars (\$6,000,000) to plan,
16 design, construct, equip, purchase and install equipment and
17 for facility upgrades, including fire alarm and security
18 surveillance systems, at department of health facilities
19 statewide;

20 4. five hundred thousand dollars (\$500,000) to
21 plan, design, renovate, purchase and install equipment,
22 including heavy equipment, and for demolition and debris
23 removal and to replace and upgrade mechanical, electrical and
24 other infrastructure systems campus-wide for the department of
25 health at the old Fort Bayard medical center in Grant county;

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1 5. two million dollars (\$2,000,000) to plan,
2 design, construct, renovate, furnish and equip state police
3 district offices, including roadway and parking lot
4 improvements, erosion control and the repair or replacement of
5 heating, ventilation and air conditioning systems, at district
6 offices statewide;

7 6. four million five hundred thousand dollars
8 (\$4,500,000) to plan, design, construct, improve, renovate,
9 remediate, furnish and equip facilities, including
10 infrastructure upgrades, at state-owned facilities statewide;
11 and

12 7. five hundred thousand dollars (\$500,000) to
13 plan, design, construct and renovate facilities and to purchase
14 and install equipment for building code compliance in offices
15 of the workforce solutions department statewide.

16 **SECTION 5. CULTURAL AFFAIRS DEPARTMENT PROJECT--SEVERANCE**
17 **TAX BONDS.--**Pursuant to the provisions of Section 1 of this
18 act, upon certification by the cultural affairs department that
19 the need exists for the issuance of the bonds, three million
20 dollars (\$3,000,000) is appropriated to the cultural affairs
21 department to plan, design, construct, renovate, furnish, equip
22 and make other improvements to comply with the federal
23 Americans with Disabilities Act of 1990, including lighting,
24 fire alarm and security upgrades, parking lot improvements and
25 heating, ventilation and air conditioning systems, at museums,

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1 monuments, historic sites and cultural facilities statewide.

2 **SECTION 6. ENERGY, MINERALS AND NATURAL RESOURCES**

3 DEPARTMENT PROJECT--SEVERANCE TAX BONDS.--Pursuant to the
4 provisions of Section 1 of this act, upon certification by the
5 energy, minerals and natural resources department that the need
6 exists for the issuance of the bonds, four million dollars
7 (\$4,000,000) is appropriated to the energy, minerals and
8 natural resources department to plan, design and construct
9 watershed restoration and community wildfire protection
10 improvements, including forest thinning, statewide.

11 **SECTION 7. DEPARTMENT OF HEALTH PROJECT--SEVERANCE TAX**

12 BONDS.--Pursuant to the provisions of Section 1 of this act,
13 upon certification by the department of health that the need
14 exists for the issuance of the bonds, five hundred thousand
15 dollars (\$500,000) is appropriated to the department of health
16 to purchase and install scientific, analytical and medical
17 equipment, including the recalibration of existing equipment,
18 at department of health facilities statewide.

19 **SECTION 8. DEPARTMENT OF INFORMATION TECHNOLOGY**

20 PROJECT--SEVERANCE TAX BONDS.--Pursuant to the provisions of
21 Section 1 of this act, upon certification by the department of
22 information technology that the need exists for the issuance of
23 the bonds, seven hundred seven thousand dollars (\$707,000) is
24 appropriated to the department of information technology to
25 plan, design, purchase, install and implement infrastructure to

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1 stabilize and modernize public safety radio communications
2 statewide.

3 SECTION 9. INDIAN WATER RIGHTS SETTLEMENT FUND--SEVERANCE

4 TAX BONDS.--Pursuant to the provisions of Section 1 of this

5 act, upon certification by the office of the state engineer

6 that the need exists for the issuance of the bonds, nine

7 million one hundred thousand dollars (\$9,100,000) is

8 appropriated to the Indian water rights settlement fund.

9 Notwithstanding the requirement for a joint resolution of the

10 legislature in Subsection A of Section 72-1-11 NMSA 1978, if

11 corresponding commitments have been made for the federal

12 portion of the settlement in the Aamodt case, the money may be

13 expended by the interstate stream commission in fiscal year

14 2018 and subsequent fiscal years to implement the state's

15 portion of the settlement, and any unexpended or unencumbered

16 balance remaining at the end of a fiscal year shall not revert.

17 SECTION 10. DEPARTMENT OF MILITARY AFFAIRS PROJECT--

18 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1

19 of this act, upon certification by the department of military

20 affairs that the need exists for the issuance of the bonds, one

21 million dollars (\$1,000,000) is appropriated to the department

22 of military affairs for improvements, repairs and demolition

23 and to purchase and install systems to improve energy

24 efficiency and for staging areas at department of military

25 affairs facilities statewide.

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1 SECTION 11. DEPARTMENT OF PUBLIC SAFETY PROJECT--
2 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
3 of this act, upon certification by the department of public
4 safety that the need exists for the issuance of the bonds,
5 seven million dollars (\$7,000,000) is appropriated to the
6 department of public safety to purchase and equip a search and
7 rescue helicopter for New Mexico state police operations
8 statewide.

9 SECTION 12. DEPARTMENT OF GAME AND FISH PROJECT--
10 APPROPRIATION FROM THE BIG GAME ENHANCEMENT ACCOUNT OF THE GAME
11 PROTECTION FUND.--One million dollars (\$1,000,000) is
12 appropriated from the big game enhancement account of the game
13 protection fund to the department of game and fish for
14 expenditure in fiscal years 2017 through 2021, unless otherwise
15 provided in Section 2 of this act, to improve, restore and
16 develop state-owned wildlife and waterfowl management areas to
17 prevent catastrophic wildfires and to improve watershed health
18 statewide.

19 SECTION 13. DEPARTMENT OF GAME AND FISH PROJECT--
20 APPROPRIATION FROM THE HABITAT MANAGEMENT FUND.--
21 Notwithstanding the provisions of Section 17-4-34 NMSA 1978 to
22 the contrary, one million dollars (\$1,000,000) is appropriated
23 from the habitat management fund to the department of game and
24 fish for expenditure in fiscal years 2017 through 2021, unless
25 otherwise provided in Section 2 of this act, to improve,

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1 restore and maintain state-owned wildlife and waterfowl
2 management areas to prevent catastrophic wildfires and to
3 improve watershed health statewide.

4 SECTION 14. INTERSTATE STREAM COMMISSION PROJECT--
5 APPROPRIATION FROM THE NEW MEXICO UNIT FUND.--Fifteen million
6 two hundred thousand dollars (\$15,200,000) is appropriated from
7 the New Mexico unit fund to the interstate stream commission
8 for expenditure in fiscal years 2018 through 2020, unless
9 otherwise provided in Section 2 of this act, to comply with
10 federal requirements to meet water supply demands, including
11 costs associated with planning and environmental compliance
12 activities and environmental mitigation and restoration, in the
13 southwest water planning region of New Mexico as determined by
14 the interstate stream commission in consultation with the
15 southwest New Mexico water study group or its successor.

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

22 SECTION 16. ART IN PUBLIC PLACES.--Pursuant to Section
23 13-4A-4 NMSA 1978 and where applicable, the appropriations
24 authorized in this act include one percent for the art in
25 public places fund.

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SECTION 17. EMERGENCY.--It is necessary for the public
peace, health and safety that this act take effect immediately.