SENATE BILL 186

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

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AN ACT

RELATING TO CAPITAL EXPENDITURES; CREATING THE JOINT INTERIM
PUBLIC WORKS COMMITTEE; PROVIDING POWERS AND DUTIES; REQUIRING
THE PUBLIC WORKS COMMITTEE TO HEAR PROPOSALS FOR AND REVIEW
CAPITAL OUTLAY-FUNDED PROJECTS AND MAKE RECOMMENDATIONS TO THE
LEGISLATURE; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of Chapter 2 NMSA 1978 is enacted to read:

"[NEW MATERIAL] PUBLIC WORKS COMMITTEE--CREATED-MEMBERSHIP--DUTIES.--

- A. As used in this section and Section 2 of this 2023 act:
- (1) "committee" means the joint interim public works committee; and

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"stale capital project" means: (2)

(a) a capital project for which bonds

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have not been issued within two years of legislative authorization; or (b) a capital project for which bonds

have been issued but the project has not commenced or is not an active capital project on track to meet internal revenue service requirements for completion of the project.

The joint interim legislative "public works В. committee" is created. The speaker of the house of representatives, in consultation with the minority floor leader of the house of representatives, shall appoint five members of the house of representatives to serve as members of the committee: three from the majority party and two from the minority party. The committees' committee of the senate shall appoint five members of the senate to serve as members of the committee, unless the senate appointments are made in the interim, in which case the president pro tempore of the senate, in consultation with the minority floor leader of the senate, shall make the appointments in consultation with and with the agreement of a majority of the members of the senate committees' committee. Three members of the senate shall be appointed from the majority party, and two members of the senate shall be appointed from the minority party. The speaker of the house of representatives and the senate committees!

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committee or the president pro tempore of the senate, as applicable, shall select the committee's chair and vice chair, whose seats in these positions shall rotate each year. No action shall be taken by the committee if a majority of the total membership from either house on the committee rejects such action.

- c. Each biennium, the members of the committee shall appoint five public members who have expertise in the fields of architecture, engineering, commercial construction or public finance to serve as members of the committee; provided that no more than three public members shall be from the same political party. Public members may be reappointed. Public members are entitled to receive per diem and mileage as provided in the Per Diem and Mileage Act but shall receive no other compensation, perquisite or allowance.
- D. The committee shall be staffed by the legislative council service and the legislative finance committee. The committee may request assistance from state agencies, public post-secondary educational institutions, political subdivisions of the state and other experts.
- E. The committee shall submit a final report at the end of each interim that includes findings and recommendations to the legislature on proposed capital projects."
- SECTION 2. A new section of Chapter 2 NMSA 1978 is enacted to read:

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| 1 | "[NEW MATERIAL] COMMITTEEADDITIONAL POWERS AND DUTIES |
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| 2 | CAPITAL PROJECT REVIEW |
| 3 | A. To carry out its duties, the committee: |
| 4 | (1) shall consult and coordinate with state |
| 5 | agencies charged with capital planning for the state and for |
| 6 | the review of local government infrastructure capital |
| 7 | improvements plans; |
| 8 | (2) shall hold hearings during the interim to |
| 9 | receive testimony on proposed and existing capital projects; |
| 10 | (3) may request additional information on a |
| 11 | capital project at any point in the review process; |
| 12 | (4) shall evaluate proposed capital projects |
| 13 | using a set of criteria developed and published by the |
| 14 | committee for ranking and prioritizing projects, including |
| 15 | considerations of: |
| 16 | (a) the impact of the capital project on |
| 17 | public health and safety; |
| 18 | (b) the capital project's financial or |
| 19 | programmatic benefit to the state or a region or community of |
| 20 | the state, including the potential for creating jobs or |
| 21 | expanding the economy of the state, region or community; |
| 22 | (c) similar or complementary proposed or |
| 23 | authorized capital projects; |
| 24 | (d) the potential operational impact on |
| 25 | the state or political subdivision of the state once the |
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| 1 | capital project is completed; |
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| 2 | (e) the scheduling and time line of the |
| 3 | capital project; |
| 4 | (f) whether the proposed funding is |
| 5 | sufficient to finance the capital project and what other |
| 6 | funding sources are available for the project; |
| 7 | (g) whether the capital project can be |
| 8 | fully completed within the authorization and implementation |
| 9 | cycle or, if not completed, can be phased in such a way that |
| 10 | each phase completes a definable, functional stage of the |
| 11 | overall capital project and external factors; |
| 12 | (h) whether the capital project is |
| 13 | included as a priority in the infrastructure capital |
| 14 | improvement plan adopted by a state agency or local government; |
| 15 | and |
| 16 | (i) which capital outlay funding source |
| 17 | is the most appropriate for the capital project and meets |
| 18 | internal revenue service requirements for capital projects |
| 19 | funded by tax-exempt bonds; |
| 20 | (5) shall monitor capital project balances to |
| 21 | track timely drawdowns and reversions; and |
| 22 | (6) shall develop a list of prior authorized |
| 23 | capital projects that includes: |
| 24 | (a) stale capital projects that are void |
| 25 | for lack of timely certification; |
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| | | | (| (b) s | stale | capital | projects | for | which |
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| bond | proceeds | have | not | been | spent | and: | | | |

- recommendations to the legislature (c) for capital projects that are shovel ready and can be started immediately, completed within allowable time and within available bond proceeds from stale capital projects pursuant to Subparagraph (b) of this paragraph.
- The committee shall submit a report of its В. findings, including specific recommendations, to the New Mexico legislative council, the legislative finance committee and the legislature no later than November 1 of each year."

SECTION 3. APPROPRIATION. -- Two hundred ten thousand dollars (\$210,000) is appropriated from the general fund to the legislative council service for expenditure in fiscal year 2024 to pay costs associated with two additional full-timeequivalent research staff positions in the capital outlay office and to pay other expenses associated with the public works committee. Any unexpended or unencumbered balance remaining at the end of fiscal year 2024 shall revert to the general fund.

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