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SENATE BILL 253

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

William E. Sharer

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS FOR A CERTAIN FREIGHT LINE PROJECT; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the Severance Tax Bonding Act is enacted to read:

"~~[NEW MATERIAL]~~ AUTHORIZATION FOR SEVERANCE TAX BONDS FOR A FREIGHT RAIL LINE--APPROPRIATION OF PROCEEDS.--

A. The state board of finance may issue and sell severance tax bonds in 2025 through 2029 for a freight rail line project in McKinley and San Juan counties in compliance with the Severance Tax Bonding Act in an amount not to exceed a total of one hundred million dollars (\$100,000,000); provided that the department of transportation certifies the need for

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1 the issuance of the bonds and that federal matching funds have
2 been or shall be provided for the project.

3 B. The state board of finance shall schedule the
4 issuance and sale of the bonds in the most expeditious and
5 economical manner possible upon a finding by the board that,
6 based upon a certification from the department of
7 transportation, the proceeds of the bonds are needed and that
8 the projects can proceed to contract within a reasonable time.
9 The state board of finance shall further take the appropriate
10 steps necessary to comply with the federal Internal Revenue
11 Code of 1986, as amended. The state board of finance may issue
12 and sell the bonds in the same manner as other severance tax
13 bonds in an amount not to exceed the amount authorized pursuant
14 to Subsection A of this section.

15 C. The proceeds from the sale of the bonds are
16 appropriated to the department of transportation for the
17 purpose of completing the project.

18 D. Money from the severance tax bonds provided for
19 in this section shall not be used to pay indirect costs. Any
20 unexpended balance from proceeds of severance tax bonds issued
21 for the project shall revert to the severance tax bonding fund
22 within six months of completion of the project. If the
23 department of transportation has not certified the need for the
24 issuance of the bonds by December 31, 2029, the authorization
25 provided in this section shall expire."

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