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HOUSE BILL 349

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

RICHARD T. (DICK) KNOWLES

AN ACT

RELATING TO PUBLIC BUILDINGS; PROVIDING FOR REPAIR AND RENOVATION OF PUBLIC BUILDINGS AND PURCHASES OF PHYSICAL PLANT EQUIPMENT FOR PUBLIC BUILDINGS; CREATING THE PUBLIC BUILDINGS REPAIR FUND; PROVIDING FOR THE ASSESSMENT OF BUILDING USE FEES AND DEPOSITS INTO THE FUND; ABOLISHING THE LONG-TERM LEASE GUARANTEE FUND; TRANSFERRING BALANCES; MAKING AN APPROPRIATION.

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

Section 1. [NEW MATERIAL] PUBLIC BUILDINGS REPAIR FUND--CREATED--EXPENDITURES. --

A. The "public buildings repair fund" is created in the state treasury. The fund shall consist of appropriations, building use fees, gifts, grants, donations and bequests. Money in the fund shall not revert at the end of any fiscal year. The fund shall be administered by the property control division of

the general services department.

- B. Expenditures may be made from the public buildings repair fund only for necessary repair, renovation and purchase of physical plant equipment for public buildings owned by the state and under the control of the property control division.
- C. The property control division shall establish priorities for the use of the public buildings repair fund and shall submit to the legislature in each regular session a list of recommended expenditures to be made from the fund in the following fiscal year. Except as provided in Subsection D of this section, the public buildings repair fund shall be expended pursuant to appropriations by the legislature.
- D. Upon certification from the secretary of general services to the state board of finance that an emergency need for repairs or purchase of equipment exists in a public building to which the provisions of this section apply, the state board of finance may approve such emergency expenditures from the public buildings repair fund. Total expenditures pursuant to this subsection shall not exceed two hundred thousand dollars (\$200,000) a year. The state board of finance shall report emergency expenditures to the legislative finance committee.

Section 2. [NEW MATERIAL] BUILDING USE FEES--TRANSFERS TO FUND.--The secretary of general services shall establish a schedule of building use fees for state agencies occupying space

in state-owned buildings under the control of the property control division of the general services department. The building use fees shall equal the estimated cost for the next fiscal year of planned and emergency repairs, renovations and purchase of physical plant equipment; provided that total fees shall not exceed ten million dollars (\$10,000,000) in any fiscal year. The building use fees shall be included in the budget requests of pertinent state agencies beginning with fiscal year 1998. At the beginning of each fiscal year, the department of finance and administration shall transfer to the public buildings repair fund the amounts appropriated for building use fees.

Section 3. Section 15-3-11 NMSA 1978 (being Laws 1968, Chapter 43, Section 5, as amended) is amended to read:

"15-3-11. BUILDING AND REMODELING--LEASING.--

A. The director of the property control division of the general services department has the authority to do all acts necessary and proper for the redesigning, major renovation and remodeling of present state buildings and the erection of additional state buildings when needed. The director of the property control division may let contracts for these purposes made according to the established state purchasing procedures for contracts of the type and amount let. However, all such remodeling, major renovation and construction must first be approved by the state board of finance. This subsection shall

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not apply to any redesigning, major renovation or remodeling or the erection of additional [buildings of the state highway department] state buildings exempt from the control of the property control division pursuant to Section 15-3-2 NMSA 1978.

The director of the property control division, subject to the approval of the state board of finance and after following the bidding procedures required by the Procurement Code for the purchase of tangible personal property, has the authority to enter into long-term leases, for periods not to exceed ten years, of vacant lands where the lessor contracts with the state to construct and complete buildings, subject to the approval of the staff architect, as a condition precedent to the start of the rental term. Such buildings shall comply with applicable standards for the physically handicapped and applicable codes. No lease shall be executed under this subsection until the staff architect created under the provisions of Section 15-3-13 NMSA 1978 [shall have] has filed with the legislative finance committee a detailed statement of his evaluation and approval of the proposed building.

[C. The secretary of general services shall establish a schedule of rental fees at rates consistent with rates charged for comparable space in the area for state agencies occupying space in state-owned buildings and require such fees to be included in the budgets of such agencies at such time as the money is available, but not later than the budget

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for the sixty-eighth fiscal year. Such amounts shall be transferred periodically by the department of finance and administration into the "long-term lease guarantee fund" hereby created, for the purpose of effectuating the purposes of this section. The fund shall be used to guarantee leases which have been approved as provided in Subsection B of this section, but not to pay lease payments or any part thereof unless the legislature fails to appropriate any funds to the agency for space and the payment is required to prevent default or legal action. Each lease guaranteed by the fund shall be considered an encumbrance of the fund for a specified sum, in an amount equal to the balance of payments remaining on the lease, and no lease shall be entered into until such lease can be guaranteed by unencumbered balances in the fund to the extent of the payments remaining on the lease. No fees shall be established for or paid by state institutions of higher learning, hospitals and institutions for the mentally or physically handicapped, the supreme court, the land office, correctional institutions or the state highway and transportation department]"

Section 4. Section 15-3-14 NMSA 1978 (being Laws 1968, Chapter 43, Section 8, as amended) is amended to read:

"15-3-14. LEASE OF LAND OR BUILDINGS FOR PRIVATE USE. -- The director of the property control division of the general services department may lease any land or building under his control to private use until the land or building is needed for

public use. All income from the leases shall be deposited in
the [long-term lease guarantee fund] <u>public buildings repair</u>
fund. All leases shall be made in accordance with Sections
[6-1-8 and 6-1-8.1 NMSA 1953] 13-6-2.1 and 13-6-3 NMSA 1978.
The property control division shall establish building use fees
at the current fair-market value for property under its control;
provided that this provision does not apply to residences
furnished to state officials or employees for the legitimate
convenience of the employer and that are not taxable benefits
for general income tax purposes. Beginning with fiscal year
1997, all state departments and institutions whose property is
under the control of the property control division shall remit
building use fees collected from lessees to the property control
division for deposit into the public buildings repair fund.
Departments and institutions may charge separate utility costs
for property where the property is not separately metered, and
those costs may be deposited to the credit of the department's
or institution's operating budget."

Section 5. TEMPORARY PROVISION--TRANSFER OF FUNDS.--On the effective date of this act, all fund balances in the long-term lease guarantee fund are transferred to the public buildings repair fund. The state treasurer shall take the necessary actions to accomplish the transfer of funds.

Section 6. EFFECTIVE DATE. -- The effective date of the provisions of this act is July 1, 1996.

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State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE SECOND SESSION, 1996

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has been referred

HOUSE BILL 349

has had it under consideration and reports same with recommendation that it DO PASS, and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

 ${\bf Respectfully\ submitted,}$

February 2, 1996

Jerry W. Sandel, Chairman

FORTY-SECOND LEGISLATURE SECOND SESSION, 1996

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6		Date	
7	The roll o	call vote was <u>8</u> For <u>0</u> Against	
8	Yes:	8	
9	Excused:	Gallegos, Gonzales, Lovejoy, Ryan,	Sandoval
10	Absent:	None	
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State of New Mexico House of Representatives

FORTY-SECOND LEGISLATURE

SECOND SESSION, 1996 February 6, 1996 Mr. Speaker: Your APPROPRIATIONS AND FINANCE COMMITTEE, to whom has been referred HOUSE BILL 349 has had it under consideration and reports same with recommendation that it DO PASS. Respectfully submitted, Max Coll, Chairman

FORTY-SECOND LEGISLATURE SECOND SESSION, 1996

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9	Excused:	Abeyta, Coll, But	ffett, Casey,	Varela, W	atchman,
10	Absent:	None			
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10	Mr. President:			
11	ELMANGE COMMUTERE			
12	Your FI NANCE COMMITTEE, to whom has been refe	erred		
13	HOUSE BILL 349			
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15	has had it under consideration and reports same with			
16	recommendation that it DO PASS.			
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18	Respectfully submitted	l,		
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10	Excused:	Donisthorpe, Duran, Ingle, Kidd, Kysar		
11	Absent:	None		
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