AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS TO UPGRADE THE IRRIGATION SYSTEM OF THE MANZANO SPRING AND DITCH COMMISSION IN TORRANCE COUNTY; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

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

Section 1. SEVERANCE TAX BONDS--PURPOSE FOR WHICH ISSUED--APPROPRIATION OF PROCEEDS.--The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not exceeding one hundred eighty-nine thousand dollars ($189,000) when the state engineer certifies the need for the issuance of the bonds. The state board of finance shall schedule the issuance and sale of the bonds in the most expeditious and economical manner possible upon a finding by the board that the project has been developed

1 sufficiently to justify the issuance and that the project can

2 proceed to contract within a reasonable time.   The state board

3 of finance shall further take the appropriate steps necessary to

4 comply with the Internal Revenue Code of 1986, as amended.   The

5 proceeds from the sale of the bonds are appropriated to the

6 state engineer for the purpose of designing, constructing and

7 equipping improvements to the irrigation system of the Manzano

8 spring and ditch commission located in Torrance county.   Any

9 unexpended or unencumbered balance remaining at the end of

10 fiscal year 2000 shall revert to the severance tax bonding fund.

11 If the state engineer has not certified the need for the

12 issuance of the bonds by the end of fiscal year 1999, the

13 authorization provided in this section shall be void.

14   Section 2.   EMERGENCY.--It is necessary for the public

15 peace, health and safety that this act take effect immediately.

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