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HOUSE BILL 644

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Max Coll

AN ACT

RELATING TO PUBLIC SCHOOL CAPITAL OUTLAY; RENAMING THE PUBLIC SCHOOL CAPITAL OUTLAY ACT THE TWENTY-FIRST CENTURY PUBLIC SCHOOL CAPITAL EQUITY AND TECHNOLOGY ACT; PROVIDING FOR FUNDING OF CRITICAL CAPITAL NEEDS AND NECESSARY TECHNOLOGY INFRASTRUCTURE FOR SCHOOL DISTRICTS STATEWIDE PURSUANT TO THAT ACT; REQUIRING THE LEGISLATURE TO AUTHORIZE AT LEAST ONE-HALF OF ALL SEVERANCE TAX BONDS FOR PUBLIC SCHOOL CAPITAL AND TECHNOLOGY INFRASTRUCTURE IMPROVEMENTS; AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-27-14 NMSA 1978 (being Laws 1961, Chapter 5, Section 11) is amended to read:

"7-27-14. AMOUNT OF TAX--SECURITY FOR BONDS. --

A. The legislature shall provide for the continued

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1 assessment, levy, collection and deposit into the severance
2 tax bonding fund of the tax or taxes upon natural resource
3 products severed and saved from the soil of the state which,
4 together with such other income as may be deposited to the
5 fund, will be sufficient to produce an amount which is at
6 least the amount necessary to meet annual debt service charges
7 on all outstanding severance tax bonds.

8 B. The state board of finance shall issue no
9 severance tax bonds unless the aggregate amount outstanding,
10 including any severance tax bonds authorized prior to the
11 enactment of [~~this~~] the Severance Tax Bonding Act, but not yet
12 issued, and including the issue proposed, can be serviced with
13 not more than [~~fifty percent~~] two-thirds of the annual
14 deposits into the severance tax bonding fund, as determined by
15 the deposits during the preceding fiscal year.

16 C. The provisions of this section shall not be
17 modified by the terms of any bonds hereafter issued."

18 Section 2. A new section of the Severance Tax Bonding
19 Act is enacted to read:

20 "[NEW MATERIAL] SEVERANCE TAX BONDS-- AUTHORIZATION
21 REQUIREMENT FOR PUBLIC SCHOOL CAPITAL PURPOSES. -- Beginning
22 with the second session of the forty-fourth legislature, one-
23 half of the severance tax bonds authorized by the legislature
24 shall be authorized for public school capital outlay purposes
25 and the proceeds appropriated to the twenty-first century

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1 capital equity and technology fund for expenditure for local
2 school district capital equity and technology infrastructure
3 needs pursuant to the Twenty-First Century Public School
4 Capital Equity and Technology Act. "

5 Section 3. Section 22-24-1 NMSA 1978 (being Laws 1975,
6 Chapter 235, Section 1, as amended) is amended to read:

7 "22-24-1. SHORT TITLE. -- [~~Sections 77-24-9 through~~
8 ~~77-24-14 NMSA 1953~~] Chapter 22, Article 24 NMSA 1978 may be
9 cited as the "[~~Public School Capital Outlay~~] Twenty-First
10 Century Public School Capital Equity and Technology Act". "

11 Section 4. Section 22-24-2 NMSA 1978 (being Laws 1975,
12 Chapter 235, Section 2, as amended) is amended to read:

13 "22-24-2. PURPOSE OF ACT. --The purpose of the [~~Public~~
14 ~~School Capital Outlay~~] Twenty-First Century Public School
15 Capital Equity and Technology Act is to meet critical school
16 district capital outlay needs which cannot be met by the
17 school district after it has exhausted available sources and
18 to address equitably the capital and technology infrastructure
19 needs of all school districts in the state. "

20 Section 5. Section 22-24-3 NMSA 1978 (being Laws 1975,
21 Chapter 235, Section 3, as amended) is amended to read:

22 "22-24-3. DEFINITIONS. --As used in the [~~Public School~~
23 ~~Capital Outlay~~] Twenty-First Century Public School Capital
24 Equity and Technology Act:

25 A. "council" means the [~~public school capital~~

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1 ~~outlay~~ twenty-first century public school capital equity and
2 technology council; [and]

3 B. "fund" means the [~~public school capital outlay~~]
4 twenty-first century public school capital equity and
5 technology fund; and

6 "C. "technology infrastructure" means the
7 networking and communications equipment that supports
8 communication among workstations, servers and other networks,
9 including hubs, switches, routers and modems as well as the
10 premise backbone and workstation cabling; "technology
11 infrastructure" may also include the equipment necessary to
12 provide the communications link to an internet service
13 provider. "

14 Section 6. Section 22-24-4 NMSA 1978 (being Laws 1975,
15 Chapter 235, Section 4, as amended) is amended to read:

16 "22-24-4. FUND CREATED--USE.--

17 A. There is created the "[~~public school capital~~
18 ~~outlay~~] twenty-first century public school capital equity and
19 technology fund". Balances remaining in the fund at the end
20 of each fiscal year shall not revert.

21 B. Money in the fund may be used only for capital
22 expenditures deemed by the council necessary for an adequate
23 educational program.

24 C. The council may authorize the purchase by the
25 property control division of the general services department

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1 of property to be loaned to school districts to meet a
2 temporary requirement. Payment for these purchases shall be
3 made from the fund. Title and custody to the property shall
4 rest in the property control division. The council shall
5 authorize the lending of the property to school districts upon
6 request and upon finding that sufficient need exists.
7 Application for use or return of state-owned portable
8 classroom buildings shall be submitted by school districts to
9 the council. Expenses of maintenance of the property while in
10 the custody of the property control division shall be paid
11 from the fund; expenses of maintenance and insurance of the
12 property while in the custody of a school district shall be
13 the responsibility of the school district. The council may
14 authorize the permanent disposition of the property by the
15 property control division with prior approval of the state
16 board of finance.

17 D. Applications for assistance from the fund shall
18 be made by local school districts to the council in accordance
19 with requirements of the council.

20 E. The council shall review all requests for
21 assistance from the fund and shall allocate funds only for
22 those capital outlay projects that cannot be financed by the
23 school district from other sources and that meet the criteria
24 of the [~~Public School Capital Outlay~~] Twenty-First Century
25 Public School Capital Equity and Technology Act. "

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1 Section 7. Section 22-24-5 NMSA 1978 (being Laws 1975,
2 Chapter 235, Section 5, as amended) is amended to read:

3 "22-24-5. FUND--DISTRIBUTION.--

4 A. The council shall approve [~~an application for~~
5 ~~grant assistance from the fund when the council determines~~]
6 applications from school districts for grant assistance from
7 the fund based on the requirements and priorities in this
8 section and subject to the money available in the fund.

9 B. For an application to be considered for grant
10 assistance, the council must first determine that:

11 (1) a critical capital or basic technology
12 infrastructure need exists requiring action;

13 (2) the residents of the school district have
14 provided available resources to the school district to meet
15 its capital outlay and technology infrastructure requirements;

16 (3) the school district has used its
17 resources in a prudent manner;

18 (4) the school district is in a county or
19 counties [~~which~~] that have participated in a reappraisal
20 program and the reappraised values are on the tax rolls or
21 will be used for the tax year 1979 as certified by the
22 property tax division of the taxation and revenue department;

23 (5) the school district has provided
24 insurance for buildings of the school district in accordance
25 with the provisions of Section 13-5-3 NMSA 1978; and

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1 ~~[(6) the school district is indebted at not~~
2 ~~less than seventy-five percent of the total debt authorized by~~
3 ~~law; and~~

4 ~~(7)]~~ (6) the school district has submitted a
5 five-year facilities plan that includes enrollment
6 projections.

7 C. The applications for grant assistance from
8 school districts that meet the basic requirements in
9 Subsection B of this section shall be approved based on
10 applying the following priorities:

11 (1) the highest priority shall be given to
12 capital projects that are necessary for health and safety; and

13 (2) priority shall then be given to capital
14 projects that provide necessary classrooms or to improve
15 existing school buildings to ensure that advanced
16 communications technology is available to children in grades
17 three through twelve.

18 D. The council may award grants for a school
19 district capital project for any part or for all of the
20 project cost after taking into consideration the level of
21 bonded indebtedness and the financial capability of the school
22 district and the availability of local funds for the project.
23 Priority for granting funding for a large percentage of a
24 project or fully funding a project shall be given to those
25 school districts whose bonded indebtedness exceeds seventy-

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1 five percent of its total bonding capacity or whose local
2 financial capability and resources are among the lowest.

3 [B-] E. The council shall consider all
4 applications for assistance from the fund and, after a public
5 hearing, shall either approve or deny the application.
6 Applications for grant assistance shall only be accepted by
7 the council after a district has complied with the provisions
8 of this section. The council shall list all applications in
9 order of priority, and all allocations shall be made on a
10 priority basis; provided, however, except in the case of an
11 emergency, that the order of priority shall first reflect
12 those projects which have been previously funded but are not
13 as yet completed, excluding expansion of those projects and
14 contingent upon maintenance of the required local support.

15 [C-] F. Money in the fund shall be disbursed by
16 warrant of the department of finance and administration on
17 vouchers signed by the secretary of finance and administration
18 following certification by the council that the application
19 has been approved. "

20 Section 8. Section 22-24-6 NMSA 1978 (being Laws 1975,
21 Chapter 235, Section 6, as amended) is amended to read:

22 "22-24-6. COUNCIL CREATED-- ORGANIZATION-- DUTIES. --

23 A. There is created the "[~~public school capital~~
24 ~~outlay~~] twenty-first century public school capital equity and
25 technology council", consisting of the:

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- 1 (1) secretary of finance and administration
- 2 or his designee;
- 3 (2) state superintendent or his designee;
- 4 (3) ~~the~~ governor or his designee;
- 5 (4) president of the New Mexico school boards
- 6 association or his designee;
- 7 (5) ~~the~~ director of the construction
- 8 industries division of the regulation and licensing department
- 9 or his designee;
- 10 (6) ~~the~~ president of the state board or his
- 11 designee;
- 12 (7) ~~the~~ director of the legislative
- 13 education study committee or his designee;
- 14 (8) ~~the~~ director of the legislative finance
- 15 committee or his designee; ~~and~~
- 16 (9) ~~the~~ director of the legislative council
- 17 service or his designee;
- 18 (10) a person from the private sector
- 19 appointed by the speaker of the house of representatives who
- 20 is recognized for outstanding expertise and preeminence in the
- 21 field of technology design, manufacture or use, especially for
- 22 educational purposes and in educational settings; and
- 23 (11) a person from the private sector
- 24 appointed by the president pro tempore of the senate who is
- 25 recognized for outstanding expertise and preeminence in the

1 field of technology design, manufacture or use, especially for
2 educational purposes and in educational settings.

3 B. The council shall investigate all applications
4 for assistance from the fund and shall certify the approved
5 applications to the secretary of finance and administration
6 for distribution of funds.

7 C. The council shall elect a chairman from among
8 the members. The council shall meet at the call of the
9 chairman.

10 D. The department of education shall account for
11 all distributions and shall make annual reports to the
12 legislative education study committee and to the legislative
13 finance committee. "

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1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 March 1, 1999
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8 Mr. Speaker:
9

10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 HOUSE BILL 644
13

14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 TAXATION AND REVENUE COMMITTEE.

17 Respectfully submitted,
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21 _____
22 Rick Miera, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HEC/HB 644

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 13 For 0 Against

Yes: 13

Excused: Blanton, Burpo, Wright

Absent: None

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