AN ACT

RELATING TO TECHNOLOGY; EXPANDING THE DEPARTMENT OF INFORMATION TECHNOLOGY'S EQUIPMENT REPLACEMENT PLANS TO INCLUDE SOFTWARE; RENAMING THE EQUIPMENT REPLACEMENT REVOLVING FUNDS AS THE EQUIPMENT AND SOFTWARE REPLACEMENT REVOLVING FUNDS.

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

SECTION 1. Section 9-27-11 NMSA 1978 (being Laws 2008, Chapter 84, Section 2, as amended) is amended to read:

"9-27-11. EQUIPMENT AND SOFTWARE REPLACEMENT PLANS--EQUIPMENT AND SOFTWARE REPLACEMENT REVOLVING FUNDS.--

A. In order to plan for the expenditure of capital investments necessary to provide goods and services to the state and its agencies and to local public bodies and other enterprise customers, the department shall establish and maintain an equipment and software replacement plan for each of the department's enterprise functions. No later than September 1 of each year, the plans shall be submitted to the department of finance and administration and the legislature, accompanied by a reconciliation report of the preceding fiscal year reflecting financial activity in each of the equipment and software replacement revolving funds established pursuant to this section.

B. Upon the request of the secretary, the state

treasurer shall establish in the state treasury such "equipment and software replacement revolving funds" as are necessary to administer each of the department's enterprise functions. The revolving funds shall consist of legislative appropriations to the funds and transfers made to the funds pursuant to Subsection C of this section. Income from investment of the revolving funds shall be credited back to the funds, and money in the funds shall not revert at the end of a fiscal year. Expenditures from the funds shall only be made pursuant to an appropriation from the legislature and only for the purpose of acquiring and replacing capital equipment and software used to provide enterprise services pursuant to the department's equipment and software replacement plans.

C. The department shall record amounts due to the equipment and software replacement revolving funds each fiscal year, based on the calculation of amortization and depreciation applicable to each enterprise service as reflected in the department's published cost structures for calculation of rates for services. Transfers to the funds shall be made from the operating funds of each enterprise in amounts that reconcile with the recorded amounts due. The recording of amounts due to the equipment and software replacement revolving funds and the transfer of the funds shall be consistent with generally accepted accounting

principles.