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SENATE BILL 3

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST EXTRAORDINARY SESSION, 2002

INTRODUCED BY

Joseph A. Fidel

AN ACT

**RELATING TO THE STATE FISC; TRANSFERRING FUNDS; AUTHORIZING
EMERGENCY EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE
TAX BONDS; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.**

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

**Section 1. WATER AND WASTEWATER PROJECTS-- TRANSFERRING
MONEY FROM THE WATER AND WASTEWATER PROJECT GRANT FUND TO THE
GENERAL FUND-- AUTHORIZING EXPENDITURES FOR EMERGENCY
PROJECTS. --**

**A. Twelve million dollars (\$12,000,000) is
transferred from the water and wastewater project grant fund
to the general fund.**

**B. The New Mexico finance authority is authorized
to expend three million dollars (\$3,000,000) of the
appropriation to the water and wastewater project grant fund**

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1 that was provided in Laws 2002, Chapter 110, Section 48 for
2 emergency public projects as provided in Subsection E of
3 Section 6-21-6.3 NMSA 1978.

4 Section 2. WATER PROJECTS--APPROPRIATION.--Ten million
5 dollars (\$10,000,000) is appropriated from the general fund to
6 the water project fund for expenditure in fiscal year 2004 and
7 subsequent fiscal years to carry out the provisions of the
8 Water Project Finance Act. Any unexpended or unencumbered
9 balance remaining at the end of a fiscal year shall not revert
10 to the general fund.

11 Section 3. SEVERANCE TAX BONDS--AUTHORIZATIONS--
12 APPROPRIATION OF PROCEEDS--LIMITATION.--

13 A. The state board of finance may issue and sell
14 severance tax bonds in compliance with the Severance Tax
15 Bonding Act in an amount not to exceed the total of the
16 amounts authorized for purposes specified in this section.
17 The state board of finance shall schedule the issuance and
18 sale of the bonds in the most expeditious and economical
19 manner possible upon a finding by the board that the project
20 has been developed sufficiently to justify the issuance and
21 that the project can proceed to contract within a reasonable
22 time. The state board of finance shall further take the
23 appropriate steps necessary to comply with the Internal
24 Revenue Code of 1986, as amended. Proceeds from the sale of
25 the bonds are appropriated for the purposes specified in this

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1 section.

2 B. The department of public safety shall certify
3 to the state board of finance when the money from the proceeds
4 of the severance tax bonds is needed. If the department has
5 not certified the need for the issuance of the bonds for a
6 particular project by the end of fiscal year 2004, the
7 authorization for that project is void.

8 C. Before the department of public safety may
9 certify for the issuance of severance tax bonds, the project
10 must be developed sufficiently so that the department
11 reasonably expects to incur within six months after the bonds
12 have been issued a substantial binding obligation to a third
13 party to expend the appropriation.

14 D. The unexpended balance from the proceeds of
15 severance tax bonds issued for a project specified in this
16 section shall revert to the severance tax bonding fund at the
17 end of the fiscal year following the fiscal year in which the
18 severance tax bonds were issued for the purchase after
19 reserving for unpaid costs and expenses covered by binding
20 written obligations to third parties. Money from severance
21 tax bond proceeds provided pursuant to this section shall not
22 be used to pay indirect project costs. For the purpose of
23 this subsection, "unexpended balance" means the remainder of
24 an appropriation after costs and expenses recognized in
25 accordance with generally accepted accounting principles have

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