

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 992

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
AUTHORIZING CERTAIN SHORT-TERM BONDS TO BE ISSUED PURSUANT TO  
THE SEVERANCE TAX BONDING ACT IN FISCAL YEAR 2003 FOR THE  
PURPOSE OF CORRECTING DEFICIENCIES IN PUBLIC SCHOOLS PURSUANT  
TO THE PUBLIC SCHOOL CAPITAL OUTLAY ACT.

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, as amended) is amended to read:

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

A. The legislature shall provide for the continued  
assessment, levy, collection and deposit into the severance tax  
bonding fund of the tax or taxes upon natural resource products  
severed and saved from the soil of the state that, together  
with such other income as may be deposited to the fund, will be

. 147285. 4

underscored material = new  
[bracketed material] = delete

1 sufficient to produce an amount that is at least the amount  
2 necessary to meet annual debt service charges on all  
3 outstanding severance tax bonds and supplemental severance tax  
4 bonds.

5 B. Except as otherwise specifically provided by  
6 law, the state board of finance shall issue no severance tax  
7 bonds unless the aggregate amount of severance tax bonds  
8 outstanding, and including the issue proposed, can be serviced  
9 with not more than fifty percent of the annual deposits into  
10 the severance tax bonding fund, as determined by the deposits  
11 during the preceding fiscal year.

12 C. The state board of finance shall issue no  
13 supplemental severance tax bonds with a term that extends  
14 beyond the fiscal year in which the bonds are issued unless the  
15 aggregate amount of severance tax bonds and supplemental  
16 severance tax bonds outstanding, and including the issue  
17 proposed, can be serviced with not more than sixty-two and  
18 one-half percent of the annual deposits into the severance tax  
19 bonding fund, as determined by the deposits during the  
20 preceding fiscal year.

21 D. Except as otherwise specifically provided by  
22 law, the state board of finance may issue supplemental  
23 severance tax bonds with a term that does not extend beyond the  
24 fiscal year in which they are issued if the debt service on  
25 such supplemental severance tax bonds when added to the debt

1 service previously paid or scheduled to be paid during that  
 2 fiscal year on severance tax bonds and supplemental severance  
 3 tax bonds does not exceed eighty-seven and one-half percent of  
 4 the deposits into the severance tax bonding fund during the  
 5 preceding fiscal year.

6 E. The provisions of this section shall not be  
 7 modified by the terms of any severance tax bonds or  
 8 supplemental severance tax bonds hereafter issued. "

9 Section 2. TEMPORARY PROVISION-- SHORT-TERM BONDS  
 10 AUTHORIZED FOR FISCAL YEAR 2003.--In addition to the bonds  
 11 issued pursuant to Section 7-27-14 NMSA 1978 and  
 12 notwithstanding the limitations of that section, in compliance  
 13 with the Severance Tax Bonding Act, in fiscal year 2003 the  
 14 state board of finance may issue and sell supplemental  
 15 severance tax bonds with a term that does not extend beyond the  
 16 fiscal year in which they are issued in an amount not exceeding  
 17 forty million dollars (\$40,000,000) when the public school  
 18 capital outlay council certifies by resolution the need for the  
 19 issuance of the bonds. The proceeds from the sale of the bonds  
 20 are appropriated to the public school capital outlay fund for  
 21 the purpose of making awards of grant assistance for correcting  
 22 deficiencies pursuant to the Public School Capital Outlay Act;  
 23 provided, however, that no supplemental severance tax bonds  
 24 shall be issued pursuant to this section:

25 A. until all other severance tax bonds and

. 147285. 4

1 supplemental severance tax bonds to be issued in fiscal year  
2 2003 have been issued; and

3 B. unless the balance in the severance tax bonding  
4 fund as of the date that the bonds are issued is greater than  
5 the sum of:

6 (1) the debt service on the supplemental  
7 severance tax bonds to be issued pursuant to this section;

8 (2) the debt service scheduled to be paid  
9 during the remainder of the fiscal year on all outstanding  
10 severance tax bonds and supplemental severance tax bonds; and

11 (3) the amount necessary to meet all principal  
12 and interest payments on outstanding bonds payable from the  
13 severance tax bonding fund on the next two ensuing semiannual  
14 payment dates.