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HOUSE BILL 235

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; APPROPRIATING THE PROCEEDS FOR CERTAIN ROAD PROJECTS; MAKING AN APPROPRIATION.

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

Section 1. A new section of the Severance Tax Bonding Act is enacted to read:

"[NEW MATERIAL] AUTHORIZATION FOR SEVERANCE TAX BONDS-- APPROPRIATION OF PROCEEDS.--

A. The state board of finance may issue and sell severance tax bonds in fiscal years 2009 through 2018 in compliance with the Severance Tax Bonding Act in an amount not exceeding a total of five hundred million dollars (\$500,000,000) when the department of transportation certifies the need for the issuance of the bonds; provided that not more

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1 than the lesser of fifty million dollars (\$50,000,000) or
2 twenty percent of severance tax bonding capacity, as determined
3 pursuant to Section 7-27-10.1 NMSA 1978, shall be issued in any
4 one fiscal year.

5 B. The state board of finance shall schedule the
6 issuance and sale of the bonds in the most expeditious and
7 economical manner possible upon a finding by the board that,
8 based upon a certification from the department of
9 transportation, the proceeds of the bonds are needed and that
10 the projects can proceed to contract within a reasonable time.
11 The state board of finance shall further take the appropriate
12 steps necessary to comply with the federal Internal Revenue
13 Code of 1986, as amended. The state board of finance may issue
14 and sell the bonds in the same manner as other severance tax
15 bonds in an amount not to exceed the authorized amount provided
16 for in this section.

17 C. The proceeds from the sale of the bonds are
18 appropriated to the department of transportation for the
19 purpose of completing those projects authorized in Paragraphs
20 (1) and (3) through (38) of Subsection A of Laws 2003 (1st
21 S.S.), Chapter 3, Section 27; provided that the department
22 shall comply with the requirements of Subsections C, D and E of
23 Section 67-3-59.4 NMSA 1978.

24 D. Money from the severance tax bonds provided for
25 in this section shall not be used to pay indirect costs. If

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1 the department of transportation has not certified the need for
2 the issuance of the bonds by April 1, 2018, the authorization
3 provided in this section shall expire."

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