

HOUSE BILL 795

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Roberto "Bobby" J. Gonzales

AN ACT

RELATING TO TRANSPORTATION FUNDING; REQUIRING A PERCENTAGE OF ANNUAL SEVERANCE TAX BONDING CAPACITY TO BE USED TO FUND TRANSPORTATION PROJECTS STATEWIDE BEGINNING IN 2010; 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, Section 7-27-10.2 NMSA 1978, is enacted to read:

"7-27-10.2. [NEW MATERIAL] AUTHORIZATION FOR SEVERANCE TAX BONDS--STATE ROAD FUND.--

A. By January 15 of each year, the board of finance division of the department of finance and administration shall estimate the amount of bonding capacity available for severance tax bonds to be authorized by the legislature. The division shall authorize five percent of the estimated bonding capacity

.174495.2

underscoring material = new  
[bracketed material] = delete

underscored material = new  
[bracketed material] = delete

1 each year, and the legislature authorizes the state board of  
2 finance to issue severance tax bonds in the annually deducted  
3 amount for use by the department of transportation to fund road  
4 projects statewide.

5 B. The department of transportation shall certify  
6 to the state board of finance the need for issuance of bonds  
7 for road projects. The state board of finance may issue and  
8 sell the bonds in the same manner as other severance tax bonds  
9 in an amount not to exceed the authorized amount provided for  
10 in Subsection A of this section. If necessary, the state board  
11 of finance shall take the appropriate steps to comply with the  
12 federal Internal Revenue Code of 1986, as amended. Proceeds  
13 from the sale of the bonds are appropriated to the state road  
14 fund in the state treasury.

15 C. Money from the severance tax bonds provided for  
16 in this section shall not be used to pay indirect project  
17 costs. Any unexpended balance from proceeds of severance tax  
18 bonds issued for a project shall revert to the severance tax  
19 bonding fund within six months of completion of the project."

20 Section 2. EFFECTIVE DATE.--The effective date of the  
21 provisions of this act is January 1, 2010.