

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 268

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

AN ACT

RELATING TO PUBLIC FINANCE; PROVIDING AN ADDITIONAL PURPOSE FOR
SUPPLEMENTAL SEVERANCE TAX BONDS; AUTHORIZING THE ISSUANCE OF
SEVERANCE TAX BONDS AND SUPPLEMENTAL SEVERANCE TAX BONDS;
RECONCILING CONFLICTING AMENDMENTS TO THE SAME SECTION OF LAW
IN LAWS 2001 BY REPEALING LAWS 2001, CHAPTER 37, SECTION 1;
MAKING APPROPRIATIONS, INCLUDING A CONTINGENT APPROPRIATION FOR
MEDICAID EXPENDITURES; DECLARING AN EMERGENCY.

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

Section 1. Section 7-27-12 NMSA 1978 (being Laws 1961,
Chapter 5, Section 10, as amended by Laws 2001, Chapter 37,
Section 1 and by Laws 2001, Chapter 338, Section 1) is amended
to read:

"7-27-12. WHEN SEVERANCE TAX BONDS TO BE ISSUED.--

A. The state board of finance shall issue and sell

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underscored material = new
[bracketed material] = delete

1 all severance tax bonds when authorized to do so by any law
2 that sets out the amount of the issue and the recipient of the
3 money.

4 B. The state board of finance shall also issue and
5 sell severance tax bonds authorized by Sections 72-14-36
6 through 72-14-42 NMSA 1978, and such authority as has been
7 given to the interstate stream commission to issue and sell
8 such bonds is transferred to the state board of finance. The
9 state board of finance shall issue and sell all severance tax
10 bonds only when so instructed by resolution of the governing
11 body or by written direction from an authorized officer of the
12 recipient of the bond money.

13 C. Except as provided in Subsection D or E of this
14 section, proceeds from supplemental severance tax bonds shall
15 be used only for public school capital outlay projects pursuant
16 to the Public School Capital Outlay Act or the Public School
17 Capital Improvements Act.

18 D. Proceeds from supplemental severance tax bonds
19 issued pursuant to Paragraph (2) of Subsection A of Section 19
20 of Chapter 6 of Laws 1999 (1st S.S.) shall be used for the
21 purposes specified in that paragraph.

22 E. Proceeds from supplemental severance tax bonds
23 issued pursuant to Section 2 of this 2010 act shall be used for
24 the purposes specified in that section.

25 [~~E.~~] F. Except as provided in Subsection [~~F.~~] G or H

underscored material = new
[bracketed material] = delete

1 of this section, the state board of finance shall issue and
 2 sell all supplemental severance tax bonds when so instructed by
 3 resolution of the public school capital outlay council pursuant
 4 to Section 7-27-12.2 NMSA 1978.

5 ~~[F.]~~ G. The state board of finance shall issue and
 6 sell supplemental severance tax bonds authorized by Paragraph
 7 (2) of Subsection A of Section 19 of Chapter 6 of Laws 1999
 8 (1st S.S.) when so instructed by resolution of the ~~[commission~~
 9 ~~on]~~ higher education department.

10 H. The state board of finance shall issue and sell
 11 the supplemental severance tax bonds authorized in Section 2 of
 12 this 2010 act upon the certification of the secretary of
 13 finance and administration."

14 Section 2. [NEW MATERIAL] SEVERANCE TAX BONDS,
 15 SHORT-TERM SEVERANCE TAX BONDS AND SHORT-TERM SUPPLEMENTAL
 16 SEVERANCE TAX BONDS--AUTHORIZATIONS--APPROPRIATION OF
 17 PROCEEDS.--

18 A. As used in this section:

19 (1) "general fund consensus revenue forecast"
 20 means the revenue estimates prepared by the career economists
 21 of the department of finance and administration, taxation and
 22 revenue department, department of transportation and
 23 legislative finance committee; and

24 (2) "reserves" means the total balances in the
 25 funds designated as the reserve funds of the state as a

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1 percentage of current-year recurring appropriations as shown in
2 the general fund financial summary released by the department
3 of finance and administration in conjunction with the general
4 fund consensus revenue forecast.

5 B. In fiscal year 2011, the state board of finance
6 may issue and sell severance tax bonds with a term that does
7 not extend beyond the end of the fiscal year or supplemental
8 severance tax bonds with a term that does not extend beyond the
9 end of the fiscal year, or a combination of severance tax bonds
10 and supplemental severance tax bonds, in compliance with the
11 Severance Tax Bonding Act, in an aggregate amount not to exceed
12 one hundred million dollars (\$100,000,000) when the secretary
13 of finance and administration certifies that the bonds are
14 needed because:

15 (1) a general fund consensus revenue forecast
16 released during fiscal year 2011 projects revenue that will
17 result in reserves of less than five percent at the end of
18 fiscal year 2011, provided that:

19 (a) the maximum amount that can be
20 certified for pursuant to this paragraph is the amount needed
21 to bring projected reserves to five percent; and

22 (b) the secretary of finance and
23 administration may make multiple certifications pursuant to
24 this paragraph as general fund consensus revenue forecasts are
25 released during fiscal year 2011; or

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1 (2) federal legislation has not been enacted
2 prior to January 1, 2011 that extends, through June 30, 2011,
3 the increase to the federal medical assistance percentage
4 provided in Subsection (a), (b) or (c) of Section 5001 of the
5 federal American Recovery and Reinvestment Act of 2009,
6 provided that the maximum amount that can be certified for
7 pursuant to this paragraph is the difference between:

8 (a) the amount of federal medicaid funds
9 the state is estimated to have received in fiscal year 2011 had
10 the increase to the federal medical assistance percentage been
11 extended through June 30, 2011; and

12 (b) the amount of federal medicaid funds
13 the state is estimated to actually receive in fiscal year 2011
14 without the extended increase.

15 C. The state board of finance shall schedule the
16 issuance and sale of the bonds in the most expeditious and
17 economical manner possible. The state board of finance shall
18 further take the appropriate steps necessary to comply with the
19 Internal Revenue Code of 1986, as amended. Proceeds from the
20 sale of the bonds are appropriated to the general fund. The
21 board of finance division of the department of finance and
22 administration shall transfer the proceeds to the general fund
23 for use by the department of finance and administration in
24 fiscal year 2011 to restore the allotments made from the
25 general fund for capital project general fund appropriations

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1 that were enacted in prior sessions of the legislature and that
2 had an expenditure period ending on or after June 30, 2010.

3 Section 3. [NEW MATERIAL] FISCAL YEAR 2011 GENERAL FUND
4 APPROPRIATIONS FOR MEDICAID.--

5 A. In the event the secretary of finance and
6 administration certifies the need for bonds pursuant to
7 Paragraph (2) of Subsection B of Section 2 of this 2010 act,
8 the following amounts are appropriated from the general fund
9 for expenditure during fiscal year 2011 to the following
10 agencies for the following purposes:

11 (1) up to seventy-six million two hundred
12 thousand dollars (\$76,200,000) is appropriated to the medical
13 assistance program of the human services department for
14 medicaid; provided that the amount of the appropriation, up to
15 the maximum, shall equal the difference, as calculated by the
16 secretary of finance and administration in consultation with
17 the director of the legislative finance committee, between:

18 (a) the amount of federal medicaid funds
19 the medical assistance program is estimated to have received in
20 fiscal year 2011 had the increase to the federal medical
21 assistance percentage provided in Subsection (a), (b) or (c) of
22 Section 5001 of the federal American Recovery and Reinvestment
23 Act of 2009 been extended through June 30, 2011 by federal
24 legislation enacted prior to January 1, 2011; and

25 (b) the amount of federal medicaid funds

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1 the medical assistance program is estimated to actually receive
2 in fiscal year 2011 without the extended increase; and

3 (2) up to nine million one hundred thousand
4 dollars (\$9,100,000) is appropriated to the developmental
5 disabilities support program of the department of health for
6 medicaid waiver programs; provided that the amount of the
7 appropriation, up to the maximum, shall equal the difference,
8 as calculated by the secretary of finance and administration in
9 consultation with the director of the legislative finance
10 committee, between:

11 (a) the amount of federal medicaid funds
12 the developmental disabilities support program is estimated to
13 have received in fiscal year 2011 had the increase to the
14 federal medical assistance percentage provided in Subsection
15 (a), (b) or (c) of Section 5001 of the federal American
16 Recovery and Reinvestment Act of 2009 been extended through
17 June 30, 2011 by federal legislation enacted prior to January
18 1, 2011; and

19 (b) the amount of federal medicaid funds
20 the developmental disabilities support program is estimated to
21 actually receive in fiscal year 2011 without the extended
22 increase.

23 B. Any unexpended balances of the appropriations
24 made in Subsection A of this section at the end of fiscal year
25 2011 shall revert to the general fund by October 1, 2011.

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