

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 112

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

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; AUTHORIZING EXPENDITURES FROM CERTAIN FUNDS AND BALANCES; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

Section 1. SEVERANCE TAX BONDS--AUTHORIZATIONS--
APPROPRIATION OF PROCEEDS.--

A. The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not to exceed the total of the amounts authorized for purposes specified in this act or may allocate

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underscoring = new
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1 to such purposes the proceeds of severance tax bonds
2 reauthorized for but not allocated to specific purposes in
3 other acts of the second session of the forty-ninth
4 legislature. The state board of finance shall schedule the
5 issuance and sale of the bonds in the most expeditious and
6 economical manner possible upon a finding by the board that the
7 project has been developed sufficiently to justify the issuance
8 and that the project can proceed to contract within a
9 reasonable time. The state board of finance shall further take
10 the appropriate steps necessary to comply with the Internal
11 Revenue Code of 1986, as amended. Proceeds from the sale of
12 the bonds and proceeds of severance tax bonds reauthorized for
13 but not allocated to specific purposes in other acts of the
14 second session of the forty-ninth legislature are appropriated
15 for the purposes specified in this act.

16 B. The agencies named in this act shall certify to
17 the state board of finance when the money from the proceeds of
18 the severance tax bonds appropriated in this section is needed
19 for the purposes specified in the applicable section of this
20 act. If an agency has not certified the need for severance tax
21 bond proceeds for a particular project, including projects that
22 have been reauthorized, by the end of fiscal year 2012, the
23 authorization for that project is void.

24 C. Before an agency may certify for the need of
25 severance tax bond proceeds, the project must be developed

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1 sufficiently so that the agency reasonably expects to:

2 (1) incur within six months after the
3 applicable bond proceeds are available for the project a
4 substantial binding obligation to a third party to expend at
5 least five percent of the bond proceeds for the project; and

6 (2) spend at least eighty-five percent of the
7 bond proceeds within three years after the applicable bond
8 proceeds are available for the project.

9 D. Except as otherwise specifically provided by
10 law:

11 (1) the unexpended balance from the proceeds
12 of severance tax bonds appropriated in this act for a project
13 shall revert to the severance tax bonding fund no later than
14 the following dates:

15 (a) for a project for which severance
16 tax bond proceeds were appropriated to match federal grants,
17 six months after completion of the project;

18 (b) for a project for which severance
19 tax bond proceeds were appropriated to purchase vehicles,
20 including emergency vehicles and other vehicles that require
21 special equipment; heavy equipment; books; educational
22 technology; or other equipment or furniture that is not related
23 to a more inclusive construction or renovation project, at the
24 end of the fiscal year two years following the fiscal year in
25 which the severance tax bond proceeds were made available for

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1 the purchase; and

2 (c) for any other project for which
3 severance tax bonds were appropriated, within six months of
4 completion of the project, but no later than the end of fiscal
5 year 2014; and

6 (2) all remaining balances from the proceeds
7 of severance tax bonds appropriated for a project in this act
8 shall revert to the severance tax bonding fund three months
9 after the latest reversion date specified for that type of
10 project in Paragraph (1) of this subsection.

11 E. Except for appropriations to the capital program
12 fund, money from severance tax bond proceeds provided pursuant
13 to this act shall not be used to pay indirect project costs.

14 F. For the purpose of this section, "unexpended
15 balance" means the remainder of an appropriation after
16 reserving for unpaid costs and expenses covered by binding
17 written obligations to third parties.

18 Section 2. OTHER FUND APPROPRIATIONS--LIMITATIONS--
19 REVERSIONS.--

20 A. Except as otherwise specifically provided by
21 law:

22 (1) the unexpended balance of an appropriation
23 made in this act from other state funds shall revert no later
24 than the following dates:

25 (a) for a project for which an

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1 appropriation was made to match federal grants, six months
2 after completion of the project;

3 (b) for a project for which an
4 appropriation was made to purchase vehicles, including
5 emergency vehicles and other vehicles that require special
6 equipment; heavy equipment; books; educational technology; or
7 other equipment or furniture that is not related to a more
8 inclusive construction or renovation project, at the end of the
9 fiscal year two years following the fiscal year in which the
10 appropriation was made for the purchase; and

11 (c) for any other project for which an
12 appropriation was made, within six months of completion of the
13 project, but no later than the end of fiscal year 2014; and

14 (2) all remaining balances from an
15 appropriation made in this act for a project shall revert three
16 months after the latest reversion date specified for that type
17 of project in Paragraph (1) of this subsection.

18 B. Except for appropriations to the capital program
19 fund, money from appropriations made in this act shall not be
20 used to pay indirect project costs.

21 C. Except as provided in Subsection E of this
22 section, the balance of an appropriation made from the general
23 fund shall revert in the time frame set forth in Subsection A
24 of this section to the capital projects fund.

25 D. Except as provided in Subsection E of this

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1 section, the balance of an appropriation made from other state
2 funds shall revert in the time frame set forth in Subsection A
3 of this section to the originating fund.

4 E. The balance of an appropriation made from the
5 general fund or other state fund to the Indian affairs
6 department or the aging and long-term services department for a
7 project located on lands of an Indian nation, tribe or pueblo
8 shall revert in the time frame set forth in Subsection A of
9 this section to the tribal infrastructure project fund.

10 F. For the purpose of this section, "unexpended
11 balance" means the remainder of an appropriation after
12 reserving for unpaid costs and expenses covered by binding
13 written obligations to third parties.

14 Section 3. ADMINISTRATIVE OFFICE OF THE COURTS PROJECTS--
15 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
16 of this act, upon certification by the administrative office of
17 the courts that the need exists for the issuance of the bonds,
18 one million dollars (\$1,000,000) is appropriated to the
19 administrative office of the courts to purchase and install
20 security equipment, including related infrastructure, at courts
21 statewide.

22 Section 4. CAPITAL PROGRAM FUND PROJECTS--SEVERANCE TAX
23 BONDS.--Pursuant to the provisions of Section 1 of this act,
24 upon certification by the property control division of the
25 general services department that the need exists for the

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1 issuance of the bonds, the following amounts are appropriated
2 to the capital program fund for the following purposes:

3 1. four hundred thousand dollars (\$400,000) to
4 renovate and equip the youth diagnostic and development center
5 in Albuquerque in Bernalillo county in accordance with the
6 Missouri model and implementation of Cambiar New Mexico;

7 2. five hundred thousand dollars (\$500,000) for
8 upgrades, including walkways, sidewalks, ramps and stairs, to
9 comply with the Americans with Disabilities Act of 1990 at the
10 youth diagnostic and development center campus in Albuquerque
11 in Bernalillo county;

12 3. five hundred thousand dollars (\$500,000) to
13 upgrade the security systems at the youth diagnostic and
14 development center and at the Camino Nuevo site in Albuquerque
15 in Bernalillo county;

16 4. five hundred thousand dollars (\$500,000) to
17 purchase, install, equip and furnish the tri-lab facility
18 project, including moving new and existing furniture and
19 equipment, at the state laboratory services building in
20 Albuquerque in Bernalillo county;

21 5. four hundred thousand dollars (\$400,000) to
22 replace the roof and make improvements, including mold
23 remediation and structural and plumbing repairs, at the motor
24 vehicle division's Clovis field office in Curry county;

25 6. two million five hundred thousand dollars

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1 (\$2,500,000) to complete construction of the Santa Teresa port
2 of entry in Dona Ana county;

3 7. eight hundred twenty thousand dollars (\$820,000)
4 for continued construction and infrastructure improvements at
5 the department of public safety district offices in Las Cruces
6 in Dona Ana county and Las Vegas in San Miguel county;

7 8. seven million dollars (\$7,000,000) to plan,
8 design and construct the New Meadows and Ponderosa buildings at
9 the New Mexico behavioral health institute in Las Vegas in San
10 Miguel county;

11 9. two million dollars (\$2,000,000) to upgrade the
12 heating, ventilation and air conditioning systems and
13 infrastructure at the southern New Mexico correctional facility
14 in Dona Ana county and the central New Mexico correctional
15 facility in Valencia county;

16 10. two million four hundred thousand dollars
17 (\$2,400,000) for patient health and safety improvements at
18 department of health facilities statewide;

19 11. five hundred thousand dollars (\$500,000) for
20 demolition, decommissioning and asbestos abatement of state
21 buildings, including the oil conservation field office in Hobbs
22 in Lea county, El Camino building and CBS barracks at the
23 behavioral health institute in Las Vegas in San Miguel county
24 and the old dormitory at the New Mexico rehabilitation center
25 in Roswell in Chaves county; and

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1 12. three million four hundred eighty thousand
2 dollars (\$3,480,000) for repairs, renovations, deferred
3 maintenance, restoration and infrastructure improvements at
4 state buildings statewide.

5 Section 5. CULTURAL AFFAIRS DEPARTMENT PROJECT--SEVERANCE
6 TAX BONDS.--Pursuant to the provisions of Section 1 of this
7 act, upon certification by the cultural affairs department that
8 the need exists for the issuance of the bonds, one million one
9 hundred thousand dollars (\$1,100,000) is appropriated to the
10 cultural affairs department for repairs and infrastructure
11 improvements, including security, fire suppression, electrical,
12 sewer and utility upgrades and improvements to comply with the
13 Americans with Disabilities Act of 1990, to state museums and
14 monuments statewide.

15 Section 6. CUMBRES AND TOLTEC SCENIC RAILROAD COMMISSION
16 PROJECTS--SEVERANCE TAX BONDS.--Pursuant to the provisions of
17 Section 1 of this act, upon certification by the Cumbres and
18 Toltec scenic railroad commission that the need exists for the
19 issuance of the bonds, four hundred thousand dollars (\$400,000)
20 is appropriated to the Cumbres and Toltec scenic railroad
21 commission for track rehabilitation and improvements to the
22 Cumbres and Toltec scenic railroad in Rio Arriba county.

23 Section 7. OFFICE OF THE STATE ENGINEER PROJECTS--
24 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
25 of this act, upon certification by the office of the state

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1 engineer that the need exists for the issuance of the bonds,
2 one million dollars (\$1,000,000) is appropriated to the office
3 of the state engineer for construction and improvements to the
4 Cabresto Lake dam in Taos county, the Bluewater dam in Cibola
5 county and the Hatch site 6 dam in Dona Ana county.

6 Section 8. DEPARTMENT OF FINANCE AND ADMINISTRATION
7 PROJECTS--SEVERANCE TAX BONDS.--Pursuant to the provisions of
8 Section 1 of this act, upon certification by the department of
9 finance and administration that the need exists for the
10 issuance of the bonds, the following amounts are appropriated
11 to the department of finance and administration for the
12 following purposes:

13 1. two million dollars (\$2,000,000) for colonias
14 infrastructure improvements statewide;

15 2. two million dollars (\$2,000,000) for
16 infrastructure development, design and construction for a
17 financial services economic development project in Bernalillo
18 county pursuant to the Local Economic Development Act; and

19 3. three million dollars (\$3,000,000) for
20 infrastructure development, design and construction of a
21 technical support center in Rio Rancho in Sandoval county
22 pursuant to the Local Economic Development Act.

23 Section 9. TRIBAL INFRASTRUCTURE PROJECT FUND PROJECTS--
24 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
25 of this act, upon certification by the department of finance

1 and administration that the need exists for the issuance of the
2 bonds, two million five hundred thousand dollars (\$2,500,000)
3 is appropriated to the tribal infrastructure project fund for
4 tribal infrastructure projects related to water, wastewater,
5 electrical systems, communications, roads, health, emergency
6 facilities and economic development statewide to carry out the
7 provisions of the Tribal Infrastructure Act.

8 Section 10. DEPARTMENT OF PUBLIC SAFETY PROJECT--
9 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
10 of this act, upon certification by the department of public
11 safety that the need exists for the issuance of the bonds,
12 three hundred thousand dollars (\$300,000) is appropriated to
13 the department of public safety to purchase and equip vehicles.

14 Section 11. DEPARTMENT OF GAME AND FISH PROJECT--
15 APPROPRIATION FROM THE GAME AND FISH BOND RETIREMENT FUND AND
16 THE GAME PROTECTION FUND.--The following amounts are
17 appropriated from the following funds to the department of game
18 and fish for expenditure in fiscal years 2010 through 2014,
19 unless otherwise provided for in Section 2 of this act, to
20 construct and make improvements to integrate the existing cold
21 water fish hatchery at the Rock Lake warm water fish hatchery
22 in Guadalupe county:

- 23 1. one million two hundred thousand dollars
24 (\$1,200,000) from the game and fish bond retirement fund; and
- 25 2. two million three hundred thousand dollars

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1 (\$2,300,000) from the game protection fund.

2 Section 12. DEPARTMENT OF TRANSPORTATION PROJECT--
3 APPROPRIATION FROM THE STATE ROAD FUND.--Three hundred fifty
4 thousand dollars (\$350,000) is appropriated from the state road
5 fund to the department of transportation for expenditure in
6 fiscal years 2010 through 2014, unless otherwise provided for
7 in Section 2 of this act, for purchase, installation and
8 construction of salt storage facilities in Clines Corners in
9 Torrance county.

10 Section 13. PROJECT SCOPE--EXPENDITURES.--If an
11 appropriation for a project authorized in this act is not
12 sufficient to complete all the purposes specified, the
13 appropriation may be expended for any portion of the purposes
14 specified in the appropriation. Expenditures shall not be made
15 for purposes other than those specified in the appropriation.

16 Section 14. ART IN PUBLIC PLACES.--Pursuant to Section
17 13-4A-4 NMSA 1978 and where applicable, the appropriations
18 authorized in this act include one percent for the art in
19 public places fund.

20 Section 15. EMERGENCY.--It is necessary for the public
21 peace, health and safety that this act take effect
22 immediately.