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SENATE BILL 192

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

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO PUBLIC FINANCE; AUTHORIZING SHORT-TERM SEVERANCE TAX BONDS TO BE ISSUED IN FISCAL YEAR 2011 FOR THE PURPOSE OF COMPENSATING FOR THE LOSS OF FEDERAL FUNDS THAT MAY NO LONGER BE AVAILABLE IN THE FUTURE; MAKING AN APPROPRIATION.

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

Section 1. SHORT-TERM SEVERANCE TAX BONDS ISSUED IN FISCAL YEAR 2011 TO COMPENSATE FOR THE LOSS OF FEDERAL FUNDS.--

A. In fiscal year 2011, when the secretary of finance and administration certifies the need for the bonds, the state board of finance may issue and sell severance tax bonds with a term that does not extend beyond the end of fiscal year 2011 in an aggregate amount not to exceed one hundred million dollars (\$100,000,000) for the purposes stated in this section.

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B. The state board of finance shall schedule the issuance and sale of the bonds in the most expeditious and economical manner possible. The state board of finance shall further take the appropriate steps necessary to comply with the Internal Revenue Code of 1986, as amended.

C. Proceeds from the sale of the bonds shall be distributed to the "stimulus lock box", a special account of the general fund. The stimulus lock box shall be subject to appropriation by the legislature for expenditure in fiscal year 2012 and subsequent fiscal years only for the purpose of compensating for the loss of federal funds that are no longer available for expenditure by the state. Unexpended or unencumbered balances shall not revert to the severance tax bonding fund.

D. Notwithstanding the provisions of any other law, the severance tax bonds authorized and sold pursuant to this section and the appropriation of bond proceeds shall be deemed to be for a project for purposes of the Severance Tax Bonding Act.