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HOUSE BILL 515

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

James Roger Madalena

AN ACT

RELATING TO INDIAN WATER RIGHTS; TEMPORARILY ALLOCATING A PORTION OF THE SEVERANCE TAX BONDING CAPACITY TO IMPLEMENT THE STATE'S SHARE OF THE AAMODT, TAOS AND NAVAJO NATION WATER RIGHTS SETTLEMENTS; 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-- IMPLEMENTATION OF INDIAN WATER RIGHTS SETTLEMENTS.--

A. After the annual estimate of severance tax bonding capacity pursuant to Subsection A of Section 7-27-10.1 NMSA 1978, for each year from fiscal year 2012 through fiscal year 2021, the board of finance division of the department of finance and administration shall allocate six percent of the

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1 estimated bonding capacity to pay the state's portion of the  
2 costs necessary to implement the Aamodt, Taos and Navajo Nation  
3 Indian water rights settlements, and the legislature authorizes  
4 the state board of finance to issue severance tax bonds in the  
5 annually allocated amount for use by the interstate stream  
6 commission for that purpose. The interstate stream commission  
7 shall annually certify to the state board of finance the need  
8 for issuance of bonds to pay the state's portion of the costs  
9 necessary to implement the Aamodt, Taos and Navajo Nation  
10 Indian water rights settlements. The state board of finance  
11 may issue and sell the bonds in the same manner as other  
12 severance tax bonds in an amount not to exceed the authorized  
13 amount provided for in this subsection. If necessary, the  
14 state board of finance shall take the appropriate steps to  
15 comply with the federal Internal Revenue Code of 1986, as  
16 amended. Proceeds from the sale of the bonds are appropriated  
17 to the Indian water rights settlement fund to pay the state's  
18 portion of the costs necessary to implement the Aamodt, Taos  
19 and Navajo Nation Indian water rights settlements.

20 B. Any unexpended balance from proceeds of  
21 severance tax bonds issued pursuant to this sector shall revert  
22 to the severance tax bonding fund within six months of the  
23 final disbursement from the Indian water rights settlement fund  
24 of all money necessary to fully satisfy the state's obligations  
25 to pay the state's portion of the costs necessary to implement

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1 the Aamodt, Taos and Navajo Nation Indian water rights  
2 settlements. The department of finance and administration  
3 shall monitor and ensure proper reversions of the bond  
4 proceeds.

5 C. The authorization for the bonds and the  
6 appropriation of the proceeds from the sale of the bonds  
7 pursuant to this section constitute the authorization of the  
8 legislature to expend the proceeds for the referenced  
9 settlements, in lieu of the requirement of Section 72-1-11 NMSA  
10 1978 for a joint resolution.

11 D. As used in this section, "Aamodt, Taos and  
12 Navajo Nation Indian water rights settlements" means the  
13 Aamodt, Taos and Navajo Nation Indian water rights settlements  
14 enacted by congress pursuant to the federal Claims Resolution  
15 Act of 2010, Public Law 111-291 (Title V, Taos Pueblo Indian  
16 Water Rights Settlement; Title VI, Aamodt Litigation Settlement  
17 Act) and the federal Omnibus Public Land Management Act of  
18 2009, Public Law 111-11 (Title X, Water Settlements, Subtitle  
19 B, Northwestern New Mexico Rural Water Projects Act Native  
20 Americans)."

21 SECTION 2. Section 72-1-12 NMSA 1978 (being Laws 2005,  
22 Chapter 172, Section 2) is amended to read:

23 "72-1-12. INDIAN WATER RIGHTS SETTLEMENT FUND.--The  
24 "Indian water rights settlement fund" is created in the state  
25 treasury to facilitate the implementation of the state's

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1 portion of Indian water rights settlements. The fund consists  
2 of appropriations, gifts, grants, donations, proceeds from the  
3 issuance of severance tax bonds, income from investment of the  
4 fund and money otherwise accruing to the fund. Except for  
5 severance tax bond proceeds that are required to revert to the  
6 severance tax bonding fund, money in the fund shall not revert  
7 to any other fund at the end of a fiscal year. Money in the  
8 Indian water rights settlement fund shall be used to pay the  
9 state's portion of the costs necessary to implement Indian  
10 water rights settlements approved by [~~the legislature and~~] the  
11 United States congress; provided that any expenditure of  
12 severance tax bond proceeds or other legislative appropriations  
13 shall be consistent with the purpose of the appropriation. The  
14 interstate stream commission shall administer the fund, and  
15 money in the fund is appropriated to the commission to carry  
16 out the purposes of the fund. Money in the fund shall be  
17 disbursed on warrants of the secretary of finance and  
18 administration pursuant to vouchers signed by an authorized  
19 representative of the interstate stream commission."

20 SECTION 3. EFFECTIVE DATE.--The effective date of the  
21 provisions of this act is July 1, 2011.

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