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SENATE BILL 434

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

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO CAPITAL PROJECTS; AUTHORIZING THE ISSUANCE OF
SHORT-TERM SEVERANCE TAX BONDS FOR ROAD PROJECTS; MAKING AN
APPROPRIATION.

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

SECTION 1. SHORT-TERM SEVERANCE TAX BONDS--HIGHWAY

INFRASTRUCTURE PROJECTS.--In addition to the bonds issued
pursuant to Section 7-27-14 NMSA 1978 and notwithstanding the
limitations of that section, in compliance with the Severance
Tax Bonding Act, in fiscal year 2011, the state board of
finance may issue and sell severance tax bonds with a term that
does not extend beyond the fiscal year in which they are issued
in an amount not exceeding fifty million dollars (\$50,000,000)
when the department of transportation certifies the need for
the issuance of the bonds for projects for the construction,

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1 improvement or maintenance of state highways and bridges.
2 Proceeds from the sale of the bonds are appropriated to the
3 state road fund for the purposes certified by the department of
4 transportation to the state board of finance; provided that no
5 severance tax bonds shall be issued pursuant to this section
6 unless the balance in the severance tax bonding fund as of the
7 date that the bonds are issued is greater than the sum of:

8 A. the debt service on the severance tax bonds to
9 be issued pursuant to this section;

10 B. the debt service scheduled to be paid during the
11 remainder of the fiscal year on all outstanding severance tax
12 bonds and supplemental severance tax bonds; and

13 C. the amount necessary to meet all principal and
14 interest payments on outstanding bonds payable from the
15 severance tax bonding fund on the next two ensuing semiannual
16 payment dates.