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SENATE BILL 113

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Ron Griggs

FOR THE TRANSPORTATION INFRASTRUCTURE REVENUE SUBCOMMITTEE

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF
SUPPLEMENTAL SEVERANCE TAX BONDS FOR PROJECTS CERTIFIED BY THE
DEPARTMENT OF TRANSPORTATION; REPEALING LAWS 2001, CHAPTER 37,
SECTION 1; MAKING AN APPROPRIATION.

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

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1 money.

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

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

16 D. Proceeds from supplemental severance tax bonds
17 issued pursuant to:

18 (1) Paragraph (2) of Subsection A of Section
19 19 of Chapter 6 of Laws 1999 (1st S.S.) shall be used for the
20 purposes specified in that paragraph; and

21 (2) Section 3 of this 2015 act shall be used
22 for the purposes specified in that section.

23 E. Except as provided in Subsection F of this
24 section, the state board of finance shall issue and sell all
25 supplemental severance tax bonds when so instructed by

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1 resolution of the public school capital outlay council pursuant
2 to Section 7-27-12.2 NMSA 1978.

3 F. The state board of finance shall issue and sell
4 supplemental severance tax bonds authorized by:

5 (1) Paragraph (2) of Subsection A of Section
6 19 of Chapter 6 of Laws 1999 (1st S.S.) when so instructed by
7 resolution of the ~~[commission on]~~ higher education department;
8 and

9 (2) Section 3 of this 2015 act when certified
10 by the department of transportation."

11 SECTION 2. Section 7-27-12.2 NMSA 1978 (being Laws 2001,
12 Chapter 338, Section 2, as amended) is amended to read:

13 "7-27-12.2. SUPPLEMENTAL SEVERANCE TAX BONDS--PUBLIC
14 SCHOOL CAPITAL OUTLAY PROJECTS.--

15 A. The public school capital outlay council is
16 authorized to certify by resolution that proceeds of
17 supplemental severance tax bonds are needed for expenditures
18 relating to public school capital outlay projects pursuant to
19 the Public School Capital Outlay Act or for the state
20 distribution for public school capital improvements pursuant to
21 the Public School Capital Improvements Act. The resolution
22 shall specify the total amount needed.

23 B. The state board of finance may issue and sell
24 supplemental severance tax bonds in compliance with the
25 Severance Tax Bonding Act when the public school capital outlay
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1 council certifies by resolution the need for the issuance of
2 the bonds. The amount of the supplemental severance tax bonds
3 sold pursuant to this section at each sale shall not exceed the
4 lesser of:

5 (1) the amount certified by the council; or

6 (2) the amount that may be issued pursuant to
7 the restrictions of Section 7-27-14 NMSA 1978 less the amount
8 that may be issued pursuant to Section 3 of this 2015 act.

9 C. The state board of finance shall schedule the
10 issuance and sale of the bonds in the most expeditious and
11 economical manner possible.

12 D. The proceeds from the sale of the bonds are
13 appropriated as follows:

14 (1) the amount certified by the secretary of
15 public education as necessary to make the distribution pursuant
16 to Section 22-25-9 NMSA 1978 is appropriated to the public
17 school capital improvements fund for the purpose of carrying
18 out the provisions of the Public School Capital Improvements
19 Act; and

20 (2) the remainder of the proceeds is
21 appropriated to the public school capital outlay fund for the
22 purpose of carrying out the provisions of the Public School
23 Capital Outlay Act."

24 **SECTION 3.** A new section of the Severance Tax Bonding
25 Act is enacted to read:

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1 "[NEW MATERIAL] SUPPLEMENTAL SEVERANCE TAX BONDS--STATE
2 ROAD FUND.--

3 A. The traffic safety bureau of the department of
4 transportation shall develop a report on the number of traffic
5 fatalities per one thousand residents for each state
6 transportation commission district. The department of
7 transportation shall use the report to establish a schedule by
8 which state transportation projects for each state
9 transportation commission district may be certified for fiscal
10 years 2016 to 2021. The schedule shall be established by July
11 1, 2015.

12 B. For fiscal years 2016 through 2021, the
13 department of transportation is authorized to certify that
14 proceeds from supplemental severance tax bonds are needed for
15 expenditures for the maintenance, construction and improvement
16 of state highways and bridges within a state transportation
17 commission district consistent with the schedule established
18 pursuant to this section. The certification shall specify the
19 amount needed for each fiscal year.

20 C. In fiscal years 2016 through 2021, the state
21 board of finance may issue and sell supplemental severance tax
22 bonds, in compliance with the Severance Tax Bonding Act, in an
23 aggregate principal amount not to exceed six hundred million
24 dollars (\$600,000,000) when the department of transportation
25 certifies the need for issuance of the bonds; provided that the

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1 amount of supplemental severance tax bonds issued in a fiscal
2 year pursuant to this subsection shall not exceed one hundred
3 million dollars (\$100,000,000). The amount of supplemental
4 severance tax bonds sold at each sale pursuant to this
5 subsection shall not exceed the lesser of the amount certified
6 by the department of transportation or the amount that may be
7 issued pursuant to Section 7-27-14 NMSA 1978.

8 D. The state board of finance shall schedule the
9 issuance and sale of the supplemental severance tax bonds as
10 expeditiously and economically as possible. The state board of
11 finance shall take appropriate steps to comply with the
12 Internal Revenue Code of 1986, as amended.

13 E. The proceeds from the sale of the bonds are
14 appropriated to the state road fund for the construction,
15 improvement or maintenance of state highways and bridges,
16 consistent with the certification made pursuant to Subsection A
17 of this section.

18 F. Money from the supplemental severance tax bonds
19 provided for in this section shall not be used to pay indirect
20 costs."

21 SECTION 4. REPEAL.--Laws 2001, Chapter 37, Section 1 is
22 repealed.