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SENATE BILL 199

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

INTRODUCED BY

Gerald Ortiz y Pino

FOR THE LAND GRANT COMMITTEE

AN ACT

RELATING TO LAND GRANTS; ENACTING THE LAND GRANT-MERCED PROJECT  
FINANCE ACT; CREATING THE LAND GRANT-MERCED PROJECT FUND;  
MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
cited as the "Land Grant-Merced Project Finance Act".

SECTION 2. [NEW MATERIAL] FINDINGS AND PURPOSE.--

A. The legislature finds that:

(1) land grants-mercedes are communities that  
represent an ongoing aspect of New Mexico's cultural heritage;

(2) in general, land grants-mercedes have  
limited sources of internal revenue but often are in need of  
capital projects for economic growth and viability;

(3) as with other communities, land grants-

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1 mercedes are regular recipients of legislative appropriations  
2 for capital projects from severance tax bond revenues;

3 (4) the requirements of the funding process  
4 for a capital project, including the required initial payments  
5 to vendors by appropriation recipients, often exceed the  
6 resources of the recipients, causing project delays that extend  
7 beyond the time requirements for the use of severance tax bond  
8 revenues and resulting in subsequent cancellation of the funded  
9 project; and

10 (5) public confidence in the process for  
11 procuring public infrastructure is based on a reasonable  
12 expectation that capital projects receiving appropriations will  
13 proceed to construction or procurement.

14 B. The purpose of the Land Grant-Merced Project  
15 Finance Act is to provide efficiency in the capital project  
16 procurement process.

17 **SECTION 3. [NEW MATERIAL] DEFINITIONS.--**As used in the  
18 Land Grant-Merced Project Finance Act:

19 A. "authority" means the New Mexico finance  
20 authority;

21 B. "land grant-merced" means a community land grant  
22 qualifying as a political subdivision of the state pursuant to  
23 the requirements of Sections 49-1-1 through 49-1-18 NMSA 1978;

24 C. "qualifying project" means a capital project for  
25 which an appropriation has been authorized by the legislature

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1 through enacted legislation; and

2 D. "vendor" means an entity that has been  
3 contracted to provide a product or construction element for a  
4 qualifying project.

5 SECTION 4. [NEW MATERIAL] AUTHORITY DUTIES.--The  
6 authority shall:

7 A. develop application procedures and forms for  
8 land grants-mercedes to apply for vendor payments for  
9 qualifying projects;

10 B. make loans to land grants-mercedes for  
11 qualifying projects subject to the availability of funds within  
12 the land grant-merced project fund; and

13 C. provide notice within twenty-four hours to the  
14 local government division of the department of finance and  
15 administration when a loan has been made to a land grant-merced  
16 for a qualifying project.

17 SECTION 5. [NEW MATERIAL] CONDITIONS FOR LOANS.--Loans  
18 shall only be made to land grants-mercedes for vendor payments  
19 when:

20 A. the board of trustees of a land grant-merced has  
21 certified that the product or construction element for a  
22 qualifying project has been delivered;

23 B. the board of trustees of a land grant-merced has  
24 certified that a voucher for reimbursement for the cost of the  
25 product or construction element delivered by the vendor has

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1 been submitted to the local government division of the  
2 department of finance and administration; and

3 C. sufficient funds are available in the land  
4 grant-merced project fund.

5 SECTION 6. [NEW MATERIAL] REIMBURSEMENTS TO THE LAND  
6 GRANT-MERCED PROJECT FUND.--The department of finance and  
7 administration shall make reimbursement payments directly to  
8 the land grant-merced project fund for vouchers from land  
9 grants-mercedes for which it has received a notice of a loan  
10 payment from the fund by the authority.

11 SECTION 7. [NEW MATERIAL] LAND GRANT-MERCED PROJECT  
12 FUND--CREATED.--The "land-grant merced project fund" is created  
13 in the state treasury. The fund shall consist of money  
14 appropriated, donated or otherwise accrued to the fund. The  
15 fund shall be administered by the authority. Income from  
16 investment of money in the land grant-merced project fund shall  
17 be credited to the fund. Balances in the fund at the end of  
18 any fiscal year shall not revert to the general fund. The land  
19 grant-merced project fund may consist of such subaccounts as  
20 the authority deems necessary to carry out the purposes of the  
21 fund. The authority may establish procedures and adopt rules  
22 as required to administer the fund and to recover from the fund  
23 the costs of administering the fund. Money in the land grant-  
24 merced project fund may be used to make loans to land grants-  
25 mercedes for any qualifying project pursuant to the Land Grant-

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1 Merced Project Finance Act.

2 SECTION 8. [NEW MATERIAL] REPORT TO LEGISLATURE.--The  
3 director of the authority shall report to the legislature no  
4 later than October 1 of each calender year the total number and  
5 dollar amounts of loan requests from land grants-mercedes for  
6 qualifying projects, the purposes of those loan requests, the  
7 total number and dollar amounts of the loans that were made and  
8 any recommendations for legislative action regarding the land  
9 grant-merced project fund.

10 SECTION 9. EFFECTIVE DATE.--The effective date of the  
11 provisions of this act is July 1, 2015.