SENATE BILL 726

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY
MICHAEL S. SANCHEZ

AN ACT
RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF
SEVERANCE TAX BONDS FOR CERTAIN CAPITAL PROJECTS AT CERTAIN PUBLIC
SCHOOLS IN VALENCIA COUNTY; MAKING AN APPROPRIATION; DECLARING AN
EMERGENCY.

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

Section 1. SEVERANCE TAX BONDS--PURPOSES FOR WHICH
ISSUED--APPROPRIATION OF PROCEEDS.--

A. The state board of finance may issue and sell severance tax bonds in
compliance with the Severance Tax Bonding Act in an amount not exceeding eight hundred
thousand dollars ($800,000) when the state department of public education certifies the need
for the issuance of the bonds. The state board of finance shall schedule the issuance and sale of
the bonds in the most expeditious and economical manner possible upon a finding by the board
that the project has been developed sufficiently to justify the issuance and that the project can
proceed to contract within a reasonable time. The state board of finance shall further take the
appropriate steps necessary to comply with the Internal Revenue Code of 1986, as amended.
The proceeds from the sale of the bonds are appropriated to the state department of public
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education in the following amounts for the following purposes:

   (1) three hundred thousand dollars ($300,000) to plan, design,
construct and equip classrooms at Gil Sanchez elementary school in Belen located in Valencia
county;

   (2) three hundred thousand dollars ($300,000) to plan, design,
construct and equip classrooms at Dennis Chavez elementary school in Belen located in
Valencia county; and

   (3) two hundred thousand dollars ($200,000) to plan, design,
construct and equip classrooms at La Merced elementary school in Belen located in Valencia
county.

   B. If the state department of public education
has not certified the need for the issuance of the bonds by the end of fiscal year 1998, the
authorization provided in this section shall be void. Any unexpended or unencumbered
balance remaining from the proceeds of severance tax bonds issued pursuant to Subsection A
of this section at the end of fiscal year 1999 shall revert to the severance tax bonding fund.

   Section 2. EMERGENCY.--It is necessary for the public peace, health and safety that
this act take effect immediately.
FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

FEBRUARY 1, 1996

Mr. President:

Your COMMITTEES' COMMITTEE, to whom has been referred

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has had it under consideration and finds same to be GERMANE, PURSUANT TO
CONSTITUTIONAL PROVISIONS, and thence referred to the FINANCE COMMITTEE.

Respectfully submitted,

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SENATOR MANNY M. ARAGON, Chairman

Adopted_______________________ Not Adopted_______________________

(Chief Clerk)                        (Chief Clerk)

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Date ________________________