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SENATE BILL 1036

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

DON KIDD

AN ACT

RELATING TO CORRECTIONAL FACILITY FINANCING; AUTHORIZING THE
ISSUANCE OF SEVERANCE TAX BONDS AND NEW MEXICO FINANCE AUTHORITY
BONDS FOR CORRECTIONAL FACILITIES; MAKING APPROPRIATIONS;
DECLARING AN EMERGENCY.

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

Section 1. LEGISLATIVE FINDINGS-- PURPOSE. --

A. The legislature recognizes that New Mexico's
correctional facilities are seriously overcrowded and cannot
accommodate the anticipated growth in correctional facility
populations. This critical shortage of correctional facilities,
primarily for adult male offenders, poses a serious threat to
the public welfare and safety of New Mexicans. To address this
emergency, the state must immediately construct or acquire the
additional correctional facilities necessary to meet this urgent

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1 need.

2 B. It is the purpose of this act to provide the financing
3 necessary for the corrections department to construct or acquire
4 as expeditiously as possible two additional state correctional
5 facilities for adult male offenders.

6 Section 2. SEVERANCE TAX BONDS--PURPOSES FOR WHICH
7 ISSUED--APPROPRIATION OF PROCEEDS. --

8 A. The state board of finance may issue and sell
9 severance tax bonds in compliance with the Severance Tax Bonding
10 Act in an amount not exceeding ninety-three million dollars
11 (\$93,000,000) when the corrections department certifies the need
12 for the issuance of the bonds pursuant to the provisions of this
13 section. Severance tax bonds issued pursuant to the
14 authorization in this subsection may have a maturity date of up
15 to twenty years after the date of issuance of the bonds.

16 B. The state board of finance shall schedule the
17 issuance and sale of the bonds in the most expeditious and
18 economical manner possible upon a finding by the board that the
19 project has been developed sufficiently to justify the issuance
20 and that the project can proceed to contract within a reasonable
21 time. The state board of finance shall further take the
22 appropriate steps necessary to comply with the Internal Revenue
23 Code of 1986, as amended.

24 C. The proceeds from the sale of the bonds are
25 appropriated to the corrections department for the design,

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1 construction or acquisition of the correctional facilities
2 authorized in Paragraphs (1) and (2) of Subsection B of Section
3 33-1-17 NMSA 1978; provided that each county or the political
4 subdivisions in the county shall provide land for the prison
5 site and arrange for utilities, roads and related infrastructure
6 needs to the property line of the prison site in the form of
7 matching funds or in-kind contributions and provided further
8 that the county or the political subdivisions in the county
9 where the correctional facility provided for in Paragraph (2) of
10 Subsection B of Section 33-1-17 NMSA 1978 is located shall
11 contribute matching funds of at least five million dollars
12 (\$5,000,000) in the aggregate. This money is appropriated to
13 the corrections department for the design, construction or
14 acquisition of that correctional facility.

15 D. The financing authorized by this section for the
16 correctional facilities referred to in Paragraphs (1) and (2) of
17 Subsection B of Section 33-1-17 NMSA 1978 shall be for a
18 correctional facility of no more than eight hundred beds in the
19 facility authorized by Paragraph (1) of Subsection B of Section
20 33-1-17 NMSA 1978 and no more than one thousand six hundred beds
21 in the facility authorized by Paragraph (2) of Subsection B of
22 Section 33-1-17 NMSA 1978, although the corrections department
23 may cause the correctional facilities to be built with the
24 necessary infrastructure to accommodate three thousand four
25 hundred beds, in the aggregate, at both facilities.

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1 E. Any unexpended or unencumbered balance remaining
2 six months after completion of a project shall revert to the
3 severance tax bonding fund. If the corrections department has
4 not certified the need for the issuance of the bonds by the end
5 of fiscal year 1998, the authorization provided in this section
6 and in Section 3 of this act shall be void.

7 Section 3. AUTHORIZATION OF ADDITIONAL PUBLIC FINANCING
8 FOR CORRECTIONAL FACILITIES--NEW MEXICO FINANCE AUTHORITY
9 BONDS--APPROPRIATION OF PROCEEDS. --

10 A. Pursuant to the provisions of Section 6-21-6 NMSA
11 1978, the legislature authorizes the New Mexico finance
12 authority to issue bonds in an amount not to exceed twenty-four
13 million dollars (\$24,000,000), to be repaid from the public
14 project revolving fund for the correctional facilities
15 authorized in Paragraphs (1) and (2) of Subsection B of Section
16 33-1-17 NMSA 1978.

17 B. The New Mexico finance authority shall not issue
18 the bonds authorized by Subsection A of this section until the
19 corrections department certifies the need for the issuance of
20 the bonds, which certification shall be subject to the terms,
21 conditions and contingencies set forth in Subsections C and D of
22 Section 2 of this act. The net proceeds from the sale of the
23 bonds are appropriated to the corrections department for the
24 purposes described in Subsection C of Section 2 of this act.

25 Section 4. EMERGENCY. --It is necessary for the public

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1 peace, health and safety that this act take effect immediately.

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