HOUSE BILL 293

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; REAUTHORIZING BALANCES; CHANGING THE PURPOSE OF A SEVERANCE TAX BOND APPROPRIATION; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

Section 1. SEVERANCE TAX BONDS--AUTHORIZATIONS--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 to exceed the total of the amounts authorized for purposes specified in this act. 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.
Proceeds from the sale of the bonds are appropriated for the
purposes specified in this act.

B. The agencies named in this act shall certify to
the state board of finance when the money from the proceeds of
the severance tax bonds authorized in this section is needed
for the purposes specified in the applicable section of this
act. If an agency has not certified the need for the issuance
of the bonds for a particular project, including projects that
have been reauthorized, by the end of fiscal year 2006, the
authorization for that project is void.

C. Before an agency may certify for the issuance of
severance tax bonds, the project must be developed sufficiently
so that the agency reasonably expects to:

(1) incur within six months after the
applicable bonds have been issued a substantial binding
obligation to a third party to expend at least five percent of
the bond proceeds for the project; and

(2) spend at least eighty-five percent of the
bond proceeds within three years after the applicable bonds have been issued.

D. Except as otherwise provided in this section or another section of this act, the unexpended balance from the proceeds of severance tax bonds issued for a project, including projects that have been reauthorized, shall revert to the severance tax bonding fund as follows:

(1) for projects for which severance tax bonds were issued to match federal grants, six months after completion of the project;

(2) for projects for which severance tax bonds were issued to purchase vehicles, heavy equipment, educational technology or other equipment or furniture that is not related to a more inclusive construction or renovation project, at the end of the fiscal year following the fiscal year in which the severance tax bonds were issued for the purchase;

(3) for projects for which severance tax bonds were issued to purchase emergency vehicles or other vehicles that require special equipment, at the end of the fiscal year two years following the fiscal year in which the severance tax bonds were issued for the purchase; and

(4) for all other projects for which severance tax bonds were issued, within six months of completion of the project, but no later than the end of fiscal year 2009.

E. Except for appropriations to the capital program
fund, money from severance tax bond proceeds provided pursuant
to this act shall not be used to pay indirect project costs.

F. For the purpose of this section, "unexpended
balance" means the remainder of an appropriation after
reserving for unpaid costs and expenses covered by binding
written obligations to third parties.

Section 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--
LIMITATIONS--REVERSIONS.--
A. Except as otherwise provided in this section or
another section of this act, the unexpended balance of an
appropriation made in this act from the general fund or other
state fund, including changes to prior appropriations, shall
revert to the originating fund as follows:

(1) for projects for which appropriations were
made to match federal grants, six months after completion of
the project;

(2) for projects for which appropriations were
made to purchase vehicles, heavy equipment, educational
technology or equipment or furniture that is not related to a
more inclusive construction or renovation project, at the end
of the fiscal year following the fiscal year in which the
appropriation was made for the purchase;

(3) for projects for which appropriations were
made to purchase emergency vehicles or other vehicles that
require special equipment, at the end of the fiscal year two
years following the fiscal year in which the severance tax
bonds were issued for the purchase; and

(4) for all other projects for which
appropriations were made, within six months of completion of
the project, but no later than the end of fiscal year 2009.

B. Except for appropriations to the capital program
fund, money from appropriations made in this act shall not be
used to pay indirect project costs.

C. For the purpose of this section, "unexpended
balance" means the remainder of an appropriation after
reserving for unpaid costs and expenses covered by binding
written obligations to third parties.

Section 3. WATER PROJECTS--WATER PROJECT FINANCE ACT
PROVISIONS--GENERAL FUND.--Twenty million dollars ($20,000,000)
is appropriated from the general fund to the water project fund
for expenditure in fiscal year 2005 and subsequent fiscal years
to support water projects pursuant to the provisions of the
Water Project Finance Act. Any unexpended balance remaining at
the end of a fiscal year shall not revert to the general fund.

Section 4. MINERS' COLFAK MEDICAL CENTER--MINERS' TRUST
FUND.--Four million dollars ($4,000,000) is appropriated from
the miners' trust fund to the board of trustees of miners'
Colfax medical center for expenditure in fiscal years 2004
through 2009 for improvements at miners' Colfax medical center
in Raton in Colfax county. Any unexpended balance remaining at
the end of fiscal year 2009 shall revert to the miners' trust fund.

Section 5. STATE BUILDING PROJECTS--PUBLIC BUILDINGS REPAIR FUND--SEVERANCE TAX BOND APPROPRIATION TO FUND-- APPROPRIATION FROM FUND TO CAPITAL PROGRAM FUND.--

A. Pursuant to the provisions of Section 1 of this act, upon certification by the property control division of the general services department that the need exists for the issuance of the bonds, eight million dollars ($8,000,000) is appropriated to the public buildings repair fund for statewide repairs of state-owned facilities.

B. Eight million dollars ($8,000,000) is appropriated from the public buildings repair fund to the capital program fund for expenditure in fiscal years 2004 through 2009 for statewide repairs of state-owned facilities. Any unexpended balance remaining at the end of fiscal year 2009 shall revert to the public buildings repair fund.

Section 6. MEXICAN SPRINGS FOOD DISTRIBUTION CENTER AND WAREHOUSE--CHANGE PURPOSE TO RENOVATE AN EXISTING BUILDING IN MEXICAN SPRINGS IN MCKINLEY COUNTY.--The proceeds from the sale of severance tax bonds appropriated to the New Mexico office of Indian affairs pursuant to Subsection B of Section 18 of Chapter 118 of Laws 1998, and reauthorized in Laws 2002, Chapter 99, Section 56, to plan, design and construct a food distribution center and warehouse in Mexican Springs in
McKinley county shall not be expended for the original or reauthorized purpose but are reauthorized and appropriated to renovate an existing building in Mexican Springs in McKinley county.

Section 7. PROJECT SCOPE--EXPENDITURES.--If an appropriation for a project authorized in this act is not sufficient to complete all the purposes specified, the appropriation may be expended for any portion of the purposes specified in the appropriation. Expenditures shall not be made for purposes other than those specified in the appropriation.

Section 8. ART IN PUBLIC PLACES.--Pursuant to Section 13-4A-4 NMSA 1978 and where applicable, the appropriations authorized in this act include one percent for the art in public places fund.

Section 9. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.