



The Legislature
of the
State of New Mexico

49th Legislature, 2nd Session

LAWS 2010

CHAPTER 37

HOUSE BILL 162

Introduced by

REPRESENTATIVE BEN LUJAN AND REPRESENTATIVE PATRICIA A. LUNDSTROM AND
REPRESENTATIVE W. KEN MARTINEZ AND REPRESENTATIVE RAY BEGAYE AND
REPRESENTATIVE SANDRA D. JEFF AND REPRESENTATIVE JAMES ROGER MADALENA



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REPRESENTATIVE HENRY "KIKI" SAAVEDRA
REPRESENTATIVE DEBBIE A. RODELLA

CHAPTER 37

AN ACT

1
2 RELATING TO CAPITAL EXPENDITURES; AMENDING THE SEVERANCE TAX
3 BONDING ACT TO ALLOCATE FIVE PERCENT OF THE ANNUAL ESTIMATED
4 SEVERANCE TAX BONDING CAPACITY FOR TRIBAL INFRASTRUCTURE
5 PROJECTS; AUTHORIZING SEVERANCE TAX BONDS; MAKING AN
6 APPROPRIATION.

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

9 Section 1. Section 7-27-10.1 NMSA 1978 (being Laws
10 2003, Chapter 134, Section 1, as amended) is amended to read:

11 "7-27-10.1. BONDING CAPACITY--AUTHORIZATION FOR
12 SEVERANCE TAX BONDS--PRIORITY FOR WATER PROJECTS AND TRIBAL
13 INFRASTRUCTURE PROJECTS.--

14 A. By January 15 of each year, the board of
15 finance division of the department of finance and
16 administration shall estimate the amount of bonding capacity
17 available for severance tax bonds to be authorized by the
18 legislature.

19 B. The division shall allocate ten percent of the
20 estimated bonding capacity each year for water projects, and
21 the legislature authorizes the state board of finance to issue
22 severance tax bonds in the annually allocated amount for use
23 by the water trust board to fund water projects statewide,
24 except for projects authorized in Subsection E of this
25 section. The water trust board shall certify to the state

1 board of finance the need for issuance of bonds for water
2 projects. The state board of finance may issue and sell the
3 bonds in the same manner as other severance tax bonds in an
4 amount not to exceed the authorized amount provided for in
5 this subsection. If necessary, the state board of finance
6 shall take the appropriate steps to comply with the federal
7 Internal Revenue Code of 1986, as amended. Proceeds from the
8 sale of the bonds are appropriated to the water project fund
9 in the New Mexico finance authority for the purposes certified
10 by the water trust board to the state board of finance.

11 C. The board of finance division shall allocate
12 five percent of the estimated bonding capacity each year for
13 tribal infrastructure projects, and the legislature authorizes
14 the state board of finance to issue severance tax bonds in the
15 annually allocated amount for use by the tribal infrastructure
16 board to fund tribal infrastructure projects. The tribal
17 infrastructure board shall certify to the state board of
18 finance the need for issuance of bonds for tribal
19 infrastructure projects. The state board of finance may issue
20 and sell the bonds in the same manner as other severance tax
21 bonds in an amount not to exceed the authorized amount
22 provided for in this subsection. If necessary, the state
23 board of finance shall take the appropriate steps to comply
24 with the federal Internal Revenue Code of 1986, as amended.
25 Proceeds from the sale of the bonds are appropriated to the

1 tribal infrastructure project fund for the purposes certified
2 by the tribal infrastructure board to the state board of
3 finance.

4 D. Money from the severance tax bonds provided for
5 in this section shall not be used to pay indirect project
6 costs. Any unexpended balance from proceeds of severance tax
7 bonds issued for a water project or a tribal infrastructure
8 project shall revert to the severance tax bonding fund within
9 six months of completion of the project. The New Mexico
10 finance authority shall monitor and ensure proper reversions
11 of the bond proceeds appropriated for water projects, and the
12 department of finance and administration shall monitor and
13 ensure proper reversions of the bond proceeds appropriated for
14 tribal infrastructure projects.

15 E. The board of finance division of the department
16 of finance and administration shall:

17 (1) void the authorization to the water
18 project fund held at the New Mexico finance authority to make
19 grants or loans of severance tax bond proceeds for projects
20 pursuant to Subsection U of Section 1 of Chapter 41 of Laws
21 2006 for the northwest New Mexico council of governments in
22 McKinley county for a water distribution project and
23 Subsection 25 of Section 1 of Chapter 139 of Laws 2007 for the
24 Navajo Nation division of natural resources department of
25 water resources water management branch for a regional water

1 project in Rio Arriba, Sandoval, McKinley, San Juan and Cibola
2 counties; and

3 (2) authorize the department of environment
4 to make a grant of the unexpended proceeds of severance tax
5 bonds issued in fiscal years 2006 and 2007 for the purposes of
6 the water project fund to be used for the authorizations
7 identified in Paragraph (1) of this subsection and appropriate
8 to the department of environment five million three hundred
9 seventy-five thousand two hundred forty-four dollars
10 (\$5,375,244) for the Navajo Nation division of natural
11 resources department of water resources water management
12 branch for a regional water distribution project in Rio
13 Arriba, Sandoval, McKinley, San Juan and Cibola counties. Any
14 unexpended balance of the funds authorized for expenditure in
15 this section shall revert to the severance tax bonding fund at
16 the end of fiscal year 2013 or upon completion of the project,
17 whichever is earlier.

18 F. As used in this section:

19 (1) "tribal infrastructure project" means a
20 qualified project under the Tribal Infrastructure Act; and

21 (2) "water project" means a capital outlay
22 project for:

23 (a) the storage, conveyance or delivery
24 of water to end users;

25 (b) the implementation of federal

1 Endangered Species Act of 1973 collaborative programs;

2 (c) the restoration and management of
3 watersheds;

4 (d) flood prevention; or

5 (e) conservation, recycling, treatment
6 or reuse of water."

7 Section 2. APPLICABILITY.--The allocation of severance
8 tax bonding capacity and the authorization of severance tax
9 bonds for tribal infrastructure projects shall commence with
10 the severance tax bonding capacity estimated on January 15,
11 2012 for authorization by the second session of the fiftieth
12 legislature.

13 Section 3. EFFECTIVE DATE.--The effective date of the
14 provisions of this act is July 1, 2011. _____

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Ben Lujan

BEN LUJAN, SPEAKER
HOUSE OF REPRESENTATIVES

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STEPHEN R. ARIAS, CHIEF CLERK
HOUSE OF REPRESENTATIVES

Diane D. Denish

DIANE D. DENISH, PRESIDENT
SENATE

Lenore M. Naranjo

LENORE M. NARANJO, CHIEF CLERK
SENATE

Approved by me this 5th day of March, 2010

Bill Richardson

BILL RICHARDSON, GOVERNOR
STATE OF NEW MEXICO

CLERK OF THE SENATE

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