



# City of Santa Fe, New Mexico

## LEGISLATIVE SUMMARY

### Resolution No. 2015-\_\_\_\_ Transportation Projects – HB 92

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**SPONSOR(S):** Councilor Maestas

**SUMMARY:** The proposed resolution supports state legislation, House Bill 92 (HB 92) – relating to capital expenditures; creating a fund; authorizing the issuance of severance tax bonds for transportation projects and making an appropriation.

**PREPARED BY:** Rebecca Seligman, Legislative Liaison Assistant

**FISCAL IMPACT:** No

**DATE:** February 4, 2015

**ATTACHMENTS:** Resolution  
FIR  
House Bill 92

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2015-\_\_\_\_\_**

3 **INTRODUCED BY:**

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5 Councilor Joseph Maestas  
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9

10 **A RESOLUTION**

11 **SUPPORTING PROPOSED STATE LEGISLATION, HOUSE BILL 92 (HB 92) – RELATING**  
12 **TO CAPITAL EXPENDITURES; CREATING A FUND; AUTHORIZING THE ISSUANCE**  
13 **OF SEVERANCE TAX BONDS FOR TRANSPORTATION PROJECTS AND MAKING AN**  
14 **APPROPRIATION.**

15  
16 **WHEREAS**, the 60 day session of the 2015 Legislative Session began on January 20, 2015;

17 and

18 **WHEREAS**, the Governing Body of the City of Santa Fe desires to support HB 92, relating  
19 to capital expenditures; creating a fund and authorizing the issuance of severance tax bonds for  
20 transportation projects; and

21 **WHEREAS**, HB 92 proposes that by August 1 of each year, the economic development  
22 department shall identify and create a list of projects within the statewide transportation improvement  
23 plan that are critical to local economic development or the development of energy mineral resources;

24 and

25 **WHEREAS**, HB 92 would create an “economic growth and energy development

1 transportation fund” in the state treasury with funds to be administered by the department of  
2 transportation.

3 **NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
4 **CITY OF SANTA FE** that the Governing Body hereby supports HB 92 relating to capital  
5 expenditures; creating the economic growth and energy development transportation fund and  
6 authorizing the issuance of severance tax bonds for transportation projects.

7 **BE IT FURTHER RESOLVED** that the City Clerk is directed to forward a copy of this  
8 resolution to the City of Santa Fe lobbyist and the City of Santa Fe State Legislative Delegation.

9 PASSED, APPROVED, and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

10  
11 \_\_\_\_\_  
12 JAVIER M. GONZALES, MAYOR

13 ATTEST:

14  
15 \_\_\_\_\_  
16 YOLANDA Y. VIGIL, CITY CLERK

17 APPROVED AS TO FORM:

18   
19 \_\_\_\_\_  
20 KELLEY A. BRENNAN, CITY ATTORNEY

### City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

**Section A. General Information**

(Check) Bill: \_\_\_\_\_ Resolution:  X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s):  A RESOLUTION SUPPORTING PROPOSED STATE LEGISLATION, HOUSE BILL 92 (HB 92) – RELATING TO CAPITAL EXPENDITURES; CREATING A FUND; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS FOR TRANSPORTATION PROJECTS AND MAKING AN APPROPRIATION.

Sponsor(s):  Councilor Maestas

Reviewing Department(s):  City Attorney's Office

Persons Completing FIR:  Rebecca Seligman / Jon Bulthuis  Date:  2/3/15  Phone:  955-6501 / 955-2006

Reviewed by City Attorney:  Kelly A. Brunner  Date:  2/4/15   
(Signature)

Reviewed by Finance Director:  [Signature]  Date:  2-4-2015   
(Signature)

**Section B. Summary**

Briefly explain the purpose and major provisions of the bill/resolution:

The resolution supports proposed state legislation of House Bill 92 (HB 92) relating to capital expenditures; creating a fund; authorizing the issuance of severance tax bonds for transportation projects and making an appropriation.

**Section C. Fiscal Impact**

**Note:** Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)\*

**1. Projected Expenditures:**

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs  
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs  
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: \_\_\_\_\_

X  Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____			\$ _____				

\* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. \*\*For fringe benefits contact the Finance Dept.

**2. Revenue Sources:**

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ _____		\$ _____			

**3. Expenditure/Revenue Narrative:**

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

N/A

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**Section D.      General Narrative**

**1. Conflicts:** Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None staff is aware of

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**2. Consequences of Not Enacting This Bill/Resolution:**

Are there consequences of not enacting this bill/resolution? If so, describe.

If this resolution is not enacted, the City of Santa Fe would not show its support for HB 92

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**3. Technical Issues:**

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

No

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**4. Community Impact:**

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

The Governing Body, through the support of the proposed HB 92, expresses interest in creating the economic growth and energy development transportation fund to be administered by the department of transportation. HB 92 would further authorize the issuance of severance tax bonds for transportation projects which could potentially have a positive impact on our community.

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1 HOUSE BILL 92

2 52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

3 INTRODUCED BY

4 Larry A. Larrañaga

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9  
10 AN ACT

11 RELATING TO CAPITAL EXPENDITURES; CREATING A FUND; AUTHORIZING  
12 THE ISSUANCE OF SEVERANCE TAX BONDS FOR TRANSPORTATION  
13 PROJECTS; MAKING AN APPROPRIATION.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. A new section of Chapter 67, Article 3 NMSA  
17 1978 is enacted to read:

18 "[NEW MATERIAL] TRANSPORTATION PROJECTS IDENTIFIED--  
19 ECONOMIC GROWTH AND ENERGY DEVELOPMENT TRANSPORTATION FUND--  
20 CREATED.--

21 A. By August 1 of each year, the economic  
22 development department shall identify and create a list of  
23 projects within the statewide transportation improvement plan  
24 that are critical to local economic development or the  
25 development of energy mineral resources.

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underscored material = new  
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1           B. The "economic growth and energy development  
2 transportation fund" is created in the state treasury. The  
3 fund shall be administered by the department of transportation  
4 and is appropriated for the purposes set out in this section.  
5 The department of transportation may establish procedures and  
6 adopt rules as required to administer the fund. The fund shall  
7 consist of money from the proceeds of the sale of severance tax  
8 bonds issued pursuant to Section 2 of this 2015 act and any  
9 other money appropriated, donated or otherwise accrued to the  
10 fund. The state treasurer shall create a subaccount in the  
11 fund for proceeds from the sale of severance tax bonds.  
12 Balances in the fund from sources other than the proceeds from  
13 the sale of severance tax bonds shall not revert to any other  
14 fund at the end of a fiscal year. Balances in the severance  
15 tax bond subaccount shall revert to the severance tax bonding  
16 fund at the end of fiscal year 2024.

17           C. The money in the economic growth and energy  
18 development transportation fund shall be used for the following  
19 purposes:

20                   (1) ninety-five percent of the funds shall be  
21 used for planning, design and construction of projects within  
22 the statewide transportation improvement plan identified by the  
23 economic development department pursuant to the provisions of  
24 Subsection A of this section; and

25                   (2) five percent of the funds shall be

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1 dedicated to support the acquisition of facilities and vehicles  
2 by county and municipal governments for public transportation  
3 programs."

4 SECTION 2. [NEW MATERIAL] SEVERANCE TAX BONDS--PURPOSE  
5 FOR WHICH ISSUED--APPROPRIATION OF PROCEEDS.--The state board  
6 of finance may issue and sell severance tax bonds in fiscal  
7 years 2016 through 2020 in compliance with the Severance Tax  
8 Bonding Act in an amount not exceeding three hundred million  
9 dollars (\$300,000,000) when the department of transportation  
10 certifies the need for the issuance of the bonds; provided that  
11 no more than sixty million dollars (\$60,000,000) may be issued  
12 in any one fiscal year. The proceeds from the sale of the  
13 bonds are appropriated to the economic growth and energy  
14 development transportation fund pursuant to Section 1 of this  
15 2015 act for the purposes of the fund. The state board of  
16 finance shall schedule the issuance and sale of bonds in the  
17 most expeditious and economical manner possible upon a finding  
18 by the board, based upon the certification from the department  
19 of transportation, that the proceeds of the bonds are needed  
20 and that construction on the projects will begin within a  
21 reasonable time after the bonds are sold. The state board of  
22 finance shall further take the appropriate steps necessary to  
23 comply with the federal Internal Revenue Code of 1986, as  
24 amended. Any unexpended or unencumbered balance remaining at  
25 the end of fiscal year 2024 shall revert to the severance tax

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1 bonding fund. If the department of transportation has not  
2 certified the need for the issuance of the bonds by the end of  
3 fiscal year 2020, the authorization provided in this section  
4 shall expire.

5 SECTION 3. EFFECTIVE DATE.--The effective date of the  
6 provisions of this act is July 1, 2015.

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