

## LEGISLATIVE BULLETIN – 2016 2<sup>nd</sup> Special Session

November 2, 2016

### Accelerated Hold Harmless Phase-Out Removed

The 2016 2<sup>nd</sup> Special Session that began on September 30 was adjourned October 6, almost a full week later in what was expected to take a day or two. The Senate adjourned at midnight on September 30 after passing several pieces of legislation aimed at shoring up the state's financial condition. In the House, members introduced several pieces of legislation that addressed crime issues and the reinstatement of the death penalty. Debate on the crime bills lasted for three days, at which point the Senate returned to the floor. The crime bills were passed along party lines in the House and sent to the Senate.

House committees then took up the Senate's financial bills and debated them for several more days. The amended bills were then returned to the Senate, which concurred with the House revisions and adjourned Sine Die without hearing the House-passed crime package. The House had adjourned about an hour before the Senate did.

Here's what the Senate bills are intended to accomplish:

#### **Senate Bill 2**

Known as the "Tobacco Settlement Fund Bill," introduced by Senators John Arthur Smith and Steven Neville, effectively provides funding from the Tobacco Settlement Fund to the General Fund to help alleviate the deficit ending June 30, 2016. The bill also "swept" several million dollars from state funds to the General Fund to reduce the deficit. Some of the sweeps include \$100,000 from the Municipal Court Automation Fund, \$3.645 million from the Local DWI Grant Fund and \$6 million from the Enhanced 911 Fund. House amendments found even more cuts that the Senate agreed with. This was signed by the Governor October 19.

#### **Senate Bill 6**

The League closely followed the path of this bill. Originally the bill, introduced by Senators John Arthur Smith and Carlos Cisneros, would have eliminated the gradual phase-out of the Hold Harmless provision for food and medical services. It also would have changed the way certain out-of-state sellers are taxed, restrict the existing health care practitioner tax deduction so it does not apply to hospitals and impose a cap on and limit eligibility requirements for the High Wage Jobs Tax Credit. The House made significant changes to the original Senate bill including removing the accelerated phase-out of the Hold Harmless provision to municipalities and counties, removed the Senate's definitions of out-of-state sellers and removed the cap on the High Wage Jobs deduction. The bill also intercepts \$1.5 million that goes to PERA Retirement Fund each year. The Senate concurred with the House amendment on a voice vote. The Governor signed the bill October 19.

### **Senate Bill 7**

The bill, introduced by Senators John Arthur Smith and Stuart Ingle, eliminates a \$250,000 distribution from the General Fund to the Retiree Health Care Authority and until June, 2019, eliminates a 12% increase in transfers to the Fund. It also ends a scheduled increase in distributions to the Fire Protection Fund. The Governor signed the Bill October 7.

### **Senate Bill 8**

This bill, introduced by Senator Carlos Cisneros, sweeps unused General Fund appropriations for several capital Outlay Project to the General Fund. It also reduces water, tribal and colonias earmarks from senior Severance Tax Bond capacity. The bill was signed by the Governor October 21 with a partial veto. (See attached summary of capital outlay projects.)

### **Senate Bill 9**

This bill, introduced by Senators John Arthur Smith and Steven Neville, was an essential part of the Legislature's efforts to trim the state deficit. It reduces 2017 appropriations to many state agencies and programs by 5.5%. A few state agencies such as Children Youth and Families and Correction were spared the reduction. In all, approximately \$176 million in cuts were contained in the bill. At one point, House members argued for state university budget cuts of an additional six to eight percent, but negotiations settled on the five percent level. The Governor signed the Bill October 24 with a partial veto that removed language that earmarked an appropriation in the Children, Youth and Families Department for only non-operational expenses.

The Governor also signed on October 7 **Senate Bill 4** that authorizes the Legislature to appropriate \$25 million in supplemental Severance Tax Bond notes to the Instruction Material Fund, allowing the General Fund to retain \$25 million it would otherwise send to the Instructional Materials Fund. The Governor also signed on October 24 **Senate Bill 12**, the Legislative Feed Bill.

**NOTE:** This will be the format for distribution of the *LEGISLATIVE BULLETIN* during the regular legislative session beginning in January, 2017. The document will be posted on the League's website and we will distribute the link via our listserve to all of our members.

ID	Project Title	ApprID	Agency	County	Total Amount
<b>GENERAL FUND SWAP</b>					
4310	CULTURAL RESOURCES INFORMATION SYSTEM MODERNIZA		DCA	Statewide	300,000
4309	COURT PRIORITIES		AOC	Statewide	534,561
4312	CORRECTIONS DEPARTMENT OFFENDER MGMT INFO SYSTE		CD	Statewide	2,400,000
4306	LEDA PROJECTS STATEWIDE		EDD	Statewide	21,550,000
4307	CABRESTO DAM & MORPHY LAKE DAM IMPROVE-GF		SEO	Multiple Co	500,000
4308	INDIAN WATER RIGHTS SETTLEMENT-GF		SEO	Statewide	500,000
4311	LAW ENFORCEMENT VEHICLES		DPS	Statewide	3,218,000
4305	ALLISON RD BRIDGE REPLACE GALLUP-GF		DOT	McKinley	650,000
4304	SANTA TERESA ROADS IMPROVE-GF		DOT	Statewide	4,000,000
4303	STATE ROAD FUND ROAD IMPROVEMENTS-GF		DOT	Statewide	22,500,000
					56,152,561
<b>SECTION 2 STB PROJECTS</b>					
3952	RESERVE SENIOR CENTER-IMPROVE CODE	13-1164	ALTS	Catron	60,000
3953	SANTA ANA PUEBLO SENIOR CENTER-IMPROVE CODE	13-1208	ALTS	Sandoval	5,000
3954	EL DORADO ELEMENTARY PLAYGROUND FENCING REPLACE	13-1409	PED	Santa Fe	50,000
3955	EL DORADO ELEMENTARY SCHOOL ROOFS CONSTRUCT	13-1410	PED	Santa Fe	100,000
3956	UPPER RIO HONDO BASIN HYDROLOGIC STUDY	13-1422	SEO	Lincoln	20,000
3957	NAMBE DAM IMPROVE	13-1428	SEO	Santa Fe	50,000
3958	BELEN FLOOD CONTROL FCLTY & INFRA	13-1431	SEO	Valencia	425,000
3959	SENA MDWCA WATER STORAGE TANK	13-1493	DOE	San Miguel	10,000
3960	ACEQUIAS ANTON CHICO/LA LOMA/TECOLOTITO IMPROVE	13-1570	ISC	Guadalupe	30,000
3961	ACEQUIAS NORTENAS/RIO DE CHAMA WATER RTS & STORAG	13-1577	ISC	Rio Arriba	100,000
3962	GALLINA COMMUNITY DITCH IMPROVE & LOAN PAYOFF	13-1583	ISC	Rio Arriba	15,000
3963	ACEQUIA DE MORADA IMPROVE	13-1603	ISC	Santa Fe	9,500
3964	CHAPARRAL ANTHONY BALLPARK LIGHTING CONSTRUCT	13-1683	LGD	Dona Ana	10,000
3965	SANTA FE CRISIS TREATMENT CTR & SITE IMPROVE	13-1771	LGD	Santa Fe	216,000
3966	TALPA COMMUNITY CENTER PARKING & FENCING IMPROVE	13-1785	LGD	Taos	25,000
3967	TAOS PLAZA RENOVATE-ARTS & CULTURAL DISTRICT	13-1795	LGD	Taos	25,000
3968	ZUNI RD PEDESTRIAN SAFETY CROSSING - ALB	13-1826	DOT	Bernalillo	15,000
3969	ZUNI ROAD IMPROVE - ALB	13-1827	DOT	Bernalillo	430,000
3970	CORONA RD IMPROVE - EAST MESA DONA ANA CO	13-1837	DOT	Dona Ana	299,000
3971	NAVAJO RT 7054 IMPROVE - PINEDALE CHP	13-1861	DOT	McKinley	75,000
3972	TWO GREY HILLS CHP SENIOR CENTER ADDITION	14-1333	ALTS	San Juan	50,000
3973	NATIONAL HISPANIC CULTURAL CTR INFO & WELCOME CTR	VETO 14-1339	CAD	Bernalillo	564,000
3974	LA PROMESA EARLY LEARNING CTR RENOVATE	14-1453	PED	Bernalillo	55,000
3975	NUESTROS VALORES CHARTER SCHL LAND & BLDG	14-1483	PED	Bernalillo	90,000
3976	SW AERONAUTICS, MATH, SCI ACAD HANGAR/TARMAC	14-1502	PED	Bernalillo	90,000
3977	EL DORADO COMMUNITY SCHL RAINWATER CATCHMENT SYS	14-1569	PED	Santa Fe	40,000
4021	NYE EARLY CHILDHOOD CTR PLAYGROUND, RET	14-2294	PED	Santa Fe	13,500
4022	SER CAREER ACADEMY DRAINAGE IMPROVE, RET	14-2295	PED	Santa Fe	35,000
3978	SAN MATEO DAM IMPROVE	14-1591	SEO	Cibola	400,000
3979	CIMARRONCITO DAM IMPROVE	14-1592	SEO	Colfax	300,000

ID	Project Title		ApprID	Agency	County	Total Amount
3980	CIMARRON WWATER TREATMENT FACILITY		14-1608	DOE	Colfax	40,000
3981	JAL SCADA SYSTEM UPGRADE		14-1640	DOE	Lea	25,000
3982	BECENTI CHP WATER SYSTEM IMPROVE		14-1654	DOE	McKinley	150,000
3983	RED LAKE CHP WATER TANK SITE		14-1655	DOE	McKinley	25,000
3989	RIO ARRIBA REGIONAL ASSOCIATION OF WATER USERS		14-1731	DOE	Rio Arriba	50,000
3984	GALLINA MDWC&MSWA WATER SYSTEM IMPROVE		14-1672	DOE	Rio Arriba	50,000
3985	JEMEZ PUEBLO WELL & PUMPS IMPROVE		14-1693	DOE	Sandoval	55,000
3986	ELEPHANT BUTTE WATER LINES & FIRE HYDRANTS		14-1704	DOE	Sierra	100,000
3987	LA LAMA MDWCA WELL & WATER SYSTEM IMPROVE		14-1707	DOE	Taos	26,000
4020	INDIAN PUEBLO CULTURAL CTR MUSEUM, RET	VETO	14-2260	IAD	Bernalillo	587,500
3990	BAAHAALI CHP HOUSE IMPROVE		14-1754	IAD	McKinley	100,000
3991	COYOTE CANYON CHP POWERLINES		14-1757	IAD	McKinley	95,000
3992	TOHATCHI CHP VETERANS BLDG		14-1765	IAD	McKinley	400,000
3993	WHITEHORSE LAKE CHP ROADS MAINT YARD PH 2		14-1768	IAD	McKinley	50,000
3994	ROCK SPRINGS CHP MULTIPURPOSE BLDG		14-1769	IAD	Multiple	365,000
3995	NEWCOMB CHP CAPT TOM IRRIGATION CANAL		14-1778	IAD	San Juan	45,000
3996	ACEQUIA DE LAS CANOVAS IMPROVE		14-1799	ISC	Rio Arriba	60,000
3997	TECOLOTE ACEQUIA SYSTEM & INFRA IMPROVE		14-1805	ISC	San Miguel	20,000
3998	ACEQUIA AGUA FRIA IMPROVE		14-1811	ISC	Santa Fe	80,000
3999	LA BAJADA COMMUNITY DITCH IMPROVE		14-1815	ISC	Santa Fe	20,000
4000	ROOSEVELT GENERAL HOSPITAL RADIOLOGY ROOM		14-1974	LGD	Roosevelt	173,000
4001	ROOSEVELT GENERAL HOSPITAL ROOF		14-1975	LGD	Roosevelt	100,000
4002	SOCORRO CO SABINAL COMMUNITY CTR & KITCHEN PH 3		14-2007	LGD	Socorro	100,000
4003	CARLISLE & CONSTITUTION INTERSECTION PHASE 2		14-2034	DOT	Bernalillo	105,000
4004	LOUISIANA BLVD CENTER LANE MEDIAN-ALB		14-2039	DOT	Bernalillo	100,000
4005	RIO GRANDE BLVD IMPROVE-ALB		14-2042	DOT	Bernalillo	70,000
4006	SAN MATEO/GIBSON/TRAMWAY/LOMAS PED SAFETY-ALB		14-2043	DOT	Bernalillo	100,000
4007	SOUTH 4TH ST SAFETY & ART IMPROVE		14-2045	DOT	Bernalillo	150,000
4008	TRUMBULL AVE & SAN PEDRO STREELIGHTS-ALB	VETO	14-2046	DOT	Bernalillo	100,000
4009	2ND STREET INFRA IMPROVE-GRANTS		14-2048	DOT	Cibola	225,000
4010	LAS CRUCES ALAMEDA DEPOT NEIGHBORHOOD LIGHTING		14-2062	DOT	Dona Ana	100,000
4011	LEA CO REGIONAL AIRPORT TERMINAL CONSTRUCT		14-2072	DOT	Lea	425,000
4012	EUNICE DOWNTOWN MAINSTREET IMPROVE		14-2073	DOT	Lea	75,000
4013	MAIN STREET SIDEWALKS ADA IMPROVE-CORONA		14-2075	DOT	Lincoln	25,000
4014	JOHNSON RD IMPROVE-TWIN LAKES CHP AREA		14-2081	DOT	McKinley	100,000
4015	ALGODONES QUIET RAILROAD CROSSINGS		14-2083	DOT	Multiple	100,000
4016	SSCAFCA ALBERTA RD DRAINAGE IMPROVE-PH 2	VETO	14-2097	DOT	Sandoval	400,000
4017	SAN FELIPE PUEBLO SOUTH BRIDGE DESIGN		14-2099	DOT	Sandoval	175,000
4018	CHRISTOPHER RD PH 2 IMPROVEMENTS-BELEN		14-2108	DOT	Valencia	215,000
4019	CABALLO SWCD GARFIELD WATERSHED STRUCTURE REHAB		14-2126	NMSU	Dona Ana	125,000
						8,913,500
<b>SECTION 4 STB PROJECTS</b>						
3669	MANUELITO CHP SENIOR CENTER RENOVATE		13-1180	ALTS	McKinley	75,000
3670	TWO GREY HILLS CHP SENIOR GROUP HOME RENOVATE		13-1198	ALTS	San Juan	50,000
3671	QUESTA WATER RIGHTS PURCHASE		13-1429	SEO	Taos	50,000
3672	CIMARRON WATER & WASTEWATER SYSTEM IMPROVEMENT		13-1439	DOE	Colfax	50,000
3673	DESERT AIRE MDW & SWA WASTEWATER SYSTEM		13-1446	DOE	Dona Ana	51,000
3674	DESERT AIRE MDW & SWA WATER SYSTEM IMPROVE		13-1447	DOE	Dona Ana	50,000

# Capital Outlay Projects

## Summary of Deauthorized Capital Projects and General Fund Swap

## Legislative Council Service

### Projects by Fund and Agency

52nd Legislature, 2nd Special Session, 2016

ID	Project Title	ApprID	Agency	County	Total Amount
3675	ALAMO CHP WATER SYSTEM PHASE 3	13-1505	DOE	Socorro	100,000
3676	VALENCIA CO BARTOLA CANYON WELL	13-1520	DOE	Valencia	15,000
3677	SANTA ROSA FISH PRODUCTION FACILITY CONSTRUCT	13-1526	GFD	Guadalupe	150,000
3678	ACEQUIA DEL MOLINO IMPROVE-EAST PECOS	13-1584	ISC	San Miguel	25,000
3679	ACEQUIA AGUA FRIA SYSTEM IMPROVE	13-1592	ISC	Santa Fe	46,750
3680	ACEQUIA DE LA CIENEGA WELL ELEC SYSTEM IMPROVE	13-1599	ISC	Santa Fe	50,386
3681	EDDY CO NORTH SHOOTING RANGE	13-1701	LGD	Eddy	50,000
3682	ALB RAILYARDS IMPROVE	13-1822	DOT	Bernalillo	303,000
3683	ROSWELL STREETS IMPROVE	13-1830	DOT	Chaves	325,000
3684	SKY CITY ROAD - MANUELITO CHP	13-1859	DOT	McKinley	25,000
3685	RED LAKE CHP ROADS IMPROVE	13-1862	DOT	McKinley	20,000
3686	JOHNSON ROAD IMPROVE-TWIN LAKES CHAPTER	13-1865	DOT	McKinley	100,000
3687	NORTH BELEN INTERCHANGE DESIGN & CONSTRUCT	13-1879	DOT	Valencia	100,000
3688	CHICHILTAH CHP SENIOR CENTER PARKING LOT	14-1332	ALTS	McKinley	150,000
3689	CIEN AGUAS INTERNATIONAL SCHL LAND/FACILITIES	14-1386	PED	Bernalillo	105,000
3716	CIEN AGUAS INTERNATL SCHL FCLTY 2013, RET	14-2258	PED	Bernalillo	110,000
3690	COLONIAS MDWCA WATER SYSTEM IMPROVEMENTS	14-1632	DOE	Guadalupe	100,000
3691	PASTURA MDWCA WATER HAULING TRUCK/TRACTOR	14-1634	DOE	Guadalupe	30,000
3692	CARRIZOZO WATER FILL STATION	14-1646	DOE	Lincoln	50,000
3693	ARROYO DEL AGUA MDWA WATER SYSTEM IMPROVE	14-1665	DOE	Rio Arriba	50,000
3694	ABIQUIU MDWCA & MSWA WATER SYSTEM IMPROVEMENTS	14-1668	DOE	Rio Arriba	100,000
3695	CHAMITA MDWC&SWA VALVES	14-1674	DOE	Rio Arriba	15,000
3696	NASCHITTI CHP WATER LINES	14-1681	DOE	San Juan	100,000
3697	TECOLOTITO MDWCA WATER SYSTEM/PUMP HOUSE IMPROV	14-1683	DOE	San Miguel	20,000
3698	QUESTA WELL & STORAGE	14-1713	DOE	Taos	40,000
3699	SANTA FE AFFORDABLE HOUSING FOR VETS/LOW-INCOME	14-1747	DFA	Santa Fe	100,000
3700	ALB INDIAN CTR INFO TECH	14-1748	IAD	Bernalillo	20,000
3717	MANUELITO CHP MULTIPURPOSE BLDG CONSTRUCT, RET	14-2281	IAD	McKinley	50,000
3701	RED ROCK CHP EMERGENCY RESPONSE MODULAR BUILDIN	14-1762	IAD	McKinley	90,000
3702	TORREON-STAR LAKE CHP CLINIC EXPAND & CONSTRUCT	14-1771	IAD	Multiple	75,000
3703	ACEQUIA DE LA POSECION IMPROVE & LOAN PAYOFF	14-1802	ISC	Rio Arriba	15,000
3704	ACEQUIA DE LOS CHUPADEROS IMPROVE-HEAD GATES/LINE	14-1812	ISC	Santa Fe	25,000
3705	ACEQUIA DE LOS RANCHOS EMBANKMENT CONSTRUCT	14-1816	ISC	Santa Fe	75,000
3715	LOS RANCHOS DE ATRISCO ACEQUIA LG LATERAL, RET	14-2250	LGD	Bernalillo	20,000
3706	BERN CO STORY PLAZA LOUISIANA & CENTRAL AREA	14-1838	LGD	Bernalillo	100,000
3707	ALB WEST CENTRAL METRO REDEVELOP DIST-57TH/CENTRA	14-1878	LGD	Bernalillo	115,000
3708	BERN CO SOUTH VALLEY YOUTH CRISIS MULTI ROOM	14-1884	LGD	Bernalillo	75,000
3709	EDDY CO CROSSROADS PROGRAM VANS	14-1919	LGD	Eddy	70,000
3710	SANTA FE EL MUSEO CULTURAL RENOVATE	14-2000	LGD	Santa Fe	30,000
3711	TAJIQUE PLAYGROUND CONSTRUCT	14-2016	LGD	Torrance	70,000
3712	ANGEL FIRE STREETS & DRAINAGE IMPROVE	14-2050	DOT	Colfax	70,000
3713	US HWY 491/N 34 JUNCTION SAFETY IMPROVE	14-2090	DOT	San Juan	50,000
3714	TAOS REGIONAL AIRPORT HANGAR FCLTY	14-2105	DOT	Taos	50,000
					3,606,136

### PSCOF PROJECTS

4187	NMSD INFRA RENOVATE-PSCOF		NMSD	Santa Fe	2,506,118
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**Capital Outlay Projects**

Summary of Deauthorized Capital Projects and General Fund Swap

Legislative Council Service

Projects by Fund and Agency

52nd Legislature, 2nd Special Session, 2016

<b>ID</b>	<b>Project Title</b>	<b>ApprID</b>	<b>Agency</b>	<b>County</b>	<b>Total Amount</b>
4189	PRE-KINDERGARTEN CLASSROOMS-PSCOF		PED	Statewide	704,765
					3,210,883