



# **LAWS 2017 (1st S.S.), CHAPTER 1**

## **AN ACT**

RELATING TO PUBLIC FINANCE; REQUIRING THE ISSUANCE OF SHORT-TERM SUPPLEMENTAL SEVERANCE TAX BONDS TO RESTORE PAST GENERAL FUND CAPITAL PROJECT APPROPRIATIONS; REQUIRING THE ISSUANCE OF SEVERANCE TAX BONDS TO IMPLEMENT THE PUBLIC SCHOOL CAPITAL OUTLAY ACT; SUSPENDING A PORTION OF THE SEVERANCE TAX BONDING CAPACITY ALLOCATION FOR WATER PROJECTS; PROVIDING FOR TRANSFERS TO THE GENERAL FUND FROM OTHER FUNDS AND ACCOUNTS; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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

### **Chapter 1 Section 1 Laws 2017 (1st S.S.)**

SECTION 1. SHORT-TERM SUPPLEMENTAL SEVERANCE TAX BONDS--APPROPRIATION OF PROCEEDS.--In fiscal year 2017, the state board of finance shall, in compliance with the Severance Tax Bonding Act, issue and sell supplemental severance tax bonds whose terms end on or before the end of the fiscal year in an aggregate amount not to exceed eighty-one million four hundred thousand dollars (\$81,400,000) when the secretary of finance and administration certifies the need for the bonds. The state board of finance shall issue and sell the bonds as expeditiously and economically as possible and take the appropriate steps necessary to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the sale of the bonds are appropriated to the general fund. The board of finance division of the department of finance and administration shall transfer the proceeds to the general fund for use by the department in fiscal year 2017 to restore the allotments from the general fund for capital project appropriations whose expenditure periods end on or before June 30, 2016.

### **Chapter 1 Section 2 Laws 2017 (1st S.S.)**

SECTION 2. SEVERANCE TAX BONDS--APPROPRIATION TO THE PUBLIC SCHOOL CAPITAL OUTLAY FUND.--In fiscal years 2017 and 2018, the state board of finance shall, in compliance with the Severance Tax Bonding Act and upon certification by the public school capital outlay council that the need exists for the issuance of the bonds, issue and sell severance tax bonds in an aggregate amount not to exceed eighty-one million four hundred thousand dollars (\$81,400,000). The state board of finance shall issue and sell the bonds as expeditiously and economically as possible and take the appropriate steps necessary to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the sale of the bonds are appropriated to the public school capital outlay fund for use by the public school capital outlay council to implement the Public School Capital Outlay Act and are appropriated for expenditure in

fiscal years 2018 through 2022. Notwithstanding the provisions of Subsection A of Section 22-24-4 NMSA 1978 to the contrary, the unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall revert to the severance tax bonding fund.

## **Chapter 1 Section 3 Laws 2017 (1st S.S.)**

### **SECTION 3. TRANSFERS TO GENERAL FUND--FISCAL YEARS 2017 AND 2018.--**

A. Eight million dollars (\$8,000,000) is transferred from the New Mexico finance authority to the appropriation account of the general fund in fiscal year 2018. Except as otherwise provided in the Tax Administration Act, the amount is from the authority's fiscal year 2018 portion of the governmental gross receipts tax distributed to the authority in accordance with Section 7-1-6.38 NMSA 1978 that is not otherwise pledged for payment of obligations of the authority.

~~[B. Notwithstanding the prerequisite for authorization by the state board of finance set forth in Subsection B of Section 15-3B-17 NMSA 1978, five million dollars (\$5,000,000) is transferred from the capitol buildings repair fund to the general fund for use by the department of finance and administration in fiscal year 2017 to restore the allotments from the general fund for appropriations whose expenditure periods end on or before June 30, 2016 and whose purposes the law allows for use of money in the capitol buildings repair fund.]~~ *LINE-ITEM VETO*

C. Notwithstanding any restriction on the use of money from the source, the following amounts are appropriated from the following funds or accounts and are transferred to the fiscal year 2017 appropriation account of the general fund:

(1) sixteen thousand eight hundred eighty-eight dollars (\$16,888) from the discount prescription drug program fund;

~~[(2) eight hundred eight thousand dollars (\$808,000) from the property control reserve fund;~~

~~(3) one million dollars (\$1,000,000) from the public liability fund;~~

~~(4) one million dollars (\$1,000,000) from the public property reserve fund;~~

~~(5) one million dollars (\$1,000,000) from the workers' compensation retention fund;]~~ *LINE-ITEM VETO*

(6) ninety-one thousand seven hundred forty-five dollars (\$91,745) from the pharmacy fund;

(7) fifty thousand dollars (\$50,000) from the board of dental health care fund;

~~[(8) forty three thousand two hundred dollars (\$43,200) from the construction industries division publications revolving fund;] *LINE-ITEM VETO*~~

(9) seventeen thousand five hundred dollars (\$17,500) from the interior design board fund;

~~[(10) one thousand three hundred eighty seven dollars (\$1,387) from the insurance examination fund;~~

~~(11) eight thousand dollars (\$8,000) from the board of nursing fund;~~

~~(12) one hundred forty thousand two hundred dollars (\$140,200) from the radiologic technology fund;] *LINE-ITEM VETO*~~

(13) eighty-five thousand dollars (\$85,000) from the solid waste facility grant fund;

(14) thirty thousand dollars (\$30,000) from the voluntary remediation fund;

~~[(15) five hundred thousand dollars (\$500,000) from the day care fund;~~

~~(16) three hundred fifty thousand dollars (\$350,000) from the community corrections grant fund;~~

~~(17) two hundred fifty thousand dollars (\$250,000) from the educator licensure fund;~~

~~(18) eighty thousand one hundred forty five dollars (\$80,145) from the teacher professional development fund;~~

~~(19) eighty one thousand seven hundred seventeen dollars (\$81,717) from the incentives for school improvement fund;~~

~~(20) fourteen thousand two hundred ninety two dollars (\$14,292) from the charter schools stimulus fund;~~

~~(21) fourteen thousand two hundred sixty three dollars (\$14,263) from the educational technology fund;~~

~~(22) one thousand one hundred seventy eight dollars (\$1,178) from the family and youth resource fund;] *LINE-ITEM VETO*~~

(23) one hundred thirty-nine thousand nine hundred dollars (\$139,900) from the higher education program development enhancement fund; and

(24) two hundred ninety-nine thousand five hundred dollars (\$299,500) from the higher education endowment fund.

## **Chapter 1 Section 4 Laws 2017 (1st S.S.)**

SECTION 4. Section 7-27-10.1 NMSA 1978 (being Laws 2003, Chapter 134, Section 1, as amended) is amended to read:

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

A. By January 15 of each year, the division shall estimate the amount of bonding capacity available for severance tax bonds to be authorized by the legislature.

B. For each year except 2017, the division shall allocate nine percent of the estimated bonding capacity each year for water projects, and the legislature authorizes the state board of finance to issue severance tax bonds in the annually allocated amount for use by the water trust board to fund water projects statewide. The water trust board shall certify to the state board of finance the need for issuance of bonds for water projects. The state board of finance may issue and sell the bonds in the same manner as other severance tax bonds in an amount not to exceed the authorized amount provided for in this subsection. If necessary, the state board of finance shall take the appropriate steps to comply with the federal Internal Revenue Code of 1986, as amended. Proceeds from the sale of the bonds are appropriated to the water project fund in the New Mexico finance authority for the purposes certified by the water trust board to the state board of finance.

C. The division shall allocate the following percentage of the estimated bonding capacity for tribal infrastructure projects:

(1) in 2016, six and one-half percent; and

(2) in 2017 and each subsequent year, four and one-half percent.

D. The legislature authorizes the state board of finance to issue severance tax bonds in the amount provided for in this section for use by the tribal infrastructure board to fund tribal infrastructure projects. The tribal infrastructure board shall certify to the state board of finance the need for issuance of bonds for tribal infrastructure projects. The state board of finance may issue and sell the bonds in the same manner as other severance tax bonds in an amount not to exceed the authorized amount provided for in this section. If necessary, the state board of finance shall take the appropriate steps to comply with the federal Internal Revenue Code of 1986, as

amended. Proceeds from the sale of the bonds are appropriated to the tribal infrastructure project fund for the purposes certified by the tribal infrastructure board to the state board of finance.

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

F. As used in this section:

(1) "division" means the board of finance division of the department of finance and administration;

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

(3) "water project" means a capital outlay project for:

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

(b) the implementation of federal Endangered Species Act of 1973 collaborative programs;

(c) the restoration and management of watersheds;

(d) flood prevention; or

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

## **Chapter 1 Section 5 Laws 2017 (1st S.S.)**

SECTION 5. Section 7-27-12 NMSA 1978 (being Laws 1961, Chapter 5, Section 10, as amended by Laws 2001, Chapter 37, Section 1 and by Laws 2001, Chapter 338, Section 1) is amended to read:

"7-27-12. WHEN SEVERANCE TAX BONDS TO BE ISSUED.--

A. The state board of finance shall issue and sell all severance tax bonds when authorized to do so by any law that sets out the amount of the issue and the recipient of the money.

B. The state board of finance shall also issue and sell severance tax bonds authorized by Sections 72-14-36 through 72-14-42 NMSA 1978, and such authority as has been given to the interstate stream commission to issue and sell such bonds is transferred to the state board of finance. The state board of finance shall issue and sell all severance tax bonds only when so instructed by resolution of the governing body or by written direction from an authorized officer of the recipient of the bond money.

C. Except as provided in Subsection D of this section, proceeds from supplemental severance tax bonds shall be used only for public school capital outlay projects pursuant to the Public School Capital Outlay Act or the Public School Capital Improvements Act.

D. Proceeds from supplemental severance tax bonds issued pursuant to Paragraph (2) of Subsection A of Section 19 of Chapter 6 of Laws 1999 (1st S.S.) and Section 1 of this 2017 act shall be used for the purposes specified in those provisions.

E. Except as provided in Subsection F of this section, the state board of finance shall issue and sell all supplemental severance tax bonds when so instructed by resolution of the public school capital outlay council pursuant to Section 7-27-12.2 NMSA 1978.

F. The state board of finance shall issue and sell the supplemental severance tax bonds authorized by:

(1) Paragraph (2) of Subsection A of Section 19 of Chapter 6 of Laws 1999 (1st S.S.) when so instructed by resolution of the commission on higher education; and

(2) Section 1 of this 2017 act upon certification by the secretary of finance and administration of the need to use proceeds from those bonds as outlined in that section."

## **Chapter 1 Section 6 Laws 2017 (1st S.S.)**

SECTION 6. Section 15-3B-17 NMSA 1978 (being Laws 1972, Chapter 74, Section 4, as amended) is amended to read:

"15-3B-17. CAPITOL BUILDINGS REPAIR FUND--CREATION--EXPENDITURES.--

A. The "capitol buildings repair fund" is created in the state treasury. To this fund shall be transferred, after payments required by Laws 1997, Chapter 178, Section 1 to the New Mexico finance authority, all income, including distributions from the land grant permanent fund derived from lands granted to the state by the United States congress for legislative, executive and judicial public buildings. Two percent of

this fund shall be transferred annually to a "state capitol maintenance fund", hereby created, as a special perpetual fund for the upkeep and maintenance of the capitol renovation and capitol grounds.

B. The capitol buildings repair fund may be used to repair, remodel and equip capitol buildings and adjacent lands, to repair or replace building machinery and building equipment located in capitol buildings and to contract for options, no one of which costs more than ten thousand dollars (\$10,000), to purchase real estate to be put to state use. Any money used for consideration in acquiring an option to purchase real estate shall be applied against the purchase price of the real estate if the option is exercised. [~~Except as provided in Subsection B of Section 3 of this 2017 act,~~] no money shall be expended from the capitol buildings repair fund without authorization of the state board of finance. *LINE-ITEM VETO*

C. In the event a capital outlay project exceeds authorized project cost by five percent or less, the state board of finance may authorize the division to supplement the authorized cost by an allocation not to exceed five percent of the authorized cost from the capitol buildings repair fund to the extent of the unencumbered and unexpended balance of the fund."

## **Chapter 1 Section 7 Laws 2017 (1st S.S.)**

SECTION 7. Section 61-3-27 NMSA 1978 (being Laws 1968, Chapter 44, Section 23, as amended by Laws 2017, Chapter 136, Section 7) that is to become effective June 16, 2017 is amended to read:

"61-3-27. FUND ESTABLISHED--DISPOSITION--METHOD OF PAYMENT.--

A. There is created a "board of nursing fund".

B. Except as provided in Sections 61-3-10.5 and 61-3-10.6 NMSA 1978, all funds received by the board and money collected under the Nursing Practice Act and the Lactation Care Provider Act shall be deposited with the state treasurer. The state treasurer shall place the money to the credit of the board of nursing fund. Any income earned on investment of the fund shall remain in the fund.

C. Payments out of the board of nursing fund shall be on vouchers issued and signed by the person designated by the board upon warrants drawn by the department of finance and administration in accordance with the budget approved by the department.

D. [~~Except as provided in Paragraph (11) of Subsection C of Section 3 of this 2017 act,~~] all amounts paid into the board of nursing fund shall be subject to the order of the board and shall only be used for the purpose of meeting necessary expenses incurred in the enforcement of the purposes of the Nursing Practice Act and the Lactation Care Provider Act, the duties imposed by those acts and the promotion of



nursing and lactation care provider education and standards in this state. All money unused at the end of the fiscal year shall remain in the board of nursing fund for use in accordance with the provisions of the Nursing Practice Act and the Lactation Care Provider Act to further the purposes of those acts. *LINE-ITEM VETO*

E. All funds that may have accumulated to the credit of the board under any previous act shall be continued for use by the board in administration of the Nursing Practice Act and the Lactation Care Provider Act.

F. As used in this section, "lactation care provider" means a person licensed by the board pursuant to the Lactation Care Provider Act to provide lactation care and services."

## **Chapter 1 Section 8 Laws 2017 (1st S.S.)**

SECTION 8. Section 61-5A-26 NMSA 1978 (being Laws 1994, Chapter 55, Section 26, as amended) is amended to read:

"61-5A-26. FUND ESTABLISHED.--

A. There is created in the state treasury the "board of dental health care fund".

B. All money received by the board and money collected under the Dental Health Care Act shall be deposited with the state treasurer. The state treasurer shall credit this money to the board of dental health care fund except money collected for the impaired assessment, which shall be held separate from the board fund. Fees collected by the board from fines shall be deposited in the board of dental health care fund and, at the discretion of the board and the committee, may be transferred into the impaired dentists and dental hygienists fund.

C. Payment out of the board of dental health care fund shall be on vouchers issued and signed by the secretary-treasurer of the board upon warrants drawn by the department of finance and administration in accordance with the budget approved by that department.

D. Except as provided in Paragraph (7) of Subsection C of Section 3 of this 2017 act, all amounts paid into the board of dental health care fund are subject to the order of the board and are to be used only for meeting necessary expenses incurred in executing the provisions and duties of the Dental Health Care Act. All money unused at the end of any fiscal year shall remain in the fund for use in accordance with provisions of the Dental Health Care Act.

E. All funds that have accumulated to the credit of the board under any previous law shall be continued for use by the board in administration of the Dental Health Care Act."

## **Chapter 1 Section 9 Laws 2017 (1st S.S.)**

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

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SFC/Senate Bill 1, w/ec, partial veto

Approved May 26, 2017

## **LAWS 2017 (1st S.S.), CHAPTER 2**

AN ACT

MAKING SUPPLEMENTAL GENERAL APPROPRIATIONS AND AUTHORIZING EXPENDITURES BY STATE AGENCIES REQUIRED BY LAW.

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

### **Chapter 2 Section 1 Laws 2017 (1st S.S.)**

Section 1. SHORT TITLE.--This act may be cited as the "Supplemental General Appropriation Act of 2017".

### **Chapter 2 Section 2 Laws 2017 (1st S.S.)**

Section 2. DEFINITIONS.--As used in the Supplemental General Appropriation Act of 2017:

A. "agency" means an office, department, agency, institution, board, bureau, commission, court, district attorney, council or committee of state government;

B. "federal funds" means any payments by the United States government to state government or agencies except those payments made in accordance with the federal Mineral Leasing Act;

C. "general fund" means that fund created by Section 6-4-2 NMSA 1978 and includes federal Mineral Leasing Act receipts and those payments made in accordance with the federal block grant and the federal Workforce Innovation and Opportunity Act but excludes the general fund operating reserve, the appropriation contingency fund, the tax stabilization reserve and any other fund, reserve or account from which general appropriations are restricted by law;

D. "interagency transfers" means revenue, other than internal service funds, legally transferred from one agency to another;

E. "internal service funds" means:

(1) revenue transferred to an agency for the financing of goods or services to another agency on a cost-reimbursement basis; and

(2) balances in agency internal service fund accounts appropriated by the Supplemental General Appropriation Act of 2017;

F. "other state funds" means:

(1) nonreverting balances in agency accounts, other than in internal service funds accounts, appropriated by the Supplemental General Appropriation Act of 2017;

(2) all revenue available to agencies from sources other than the general fund, internal service funds, interagency transfers and federal funds; and

(3) all revenue, the use of which is restricted by statute or agreement;

~~G. "outcome" means the measure of the actual impact or public benefit of a program;~~

~~H. "output" means the measure of the volume of work completed or the level of actual services or products delivered by a program;~~

~~I. "performance measure" means a quantitative or qualitative indicator used to assess a program;] LINE-ITEM VETO~~

J. "revenue" means all money received by an agency from sources external to that agency, net of refunds and other correcting transactions, other than from issue of debt, liquidation of investments or as agent or trustee for other governmental entities or private persons[; and

~~K. "target" means the expected level of performance of a program's performance measures.] LINE-ITEM VETO~~

## **Chapter 2 Section 3 Laws 2017 (1st S.S.)**

### **Section 3. GENERAL PROVISIONS.--**

A. Amounts set out under column headings are expressed in thousands of dollars.

B. Amounts set out under column headings are appropriated from the source indicated by the column heading. All amounts set out under the column heading "Internal Service Funds/Interagency Transfers" are intergovernmental transfers and do not represent a portion of total state government appropriations. All information designated as "Total" or "Subtotal" is provided for information and amounts are not appropriations.

C. Amounts set out in Section 4 of the Supplemental General Appropriation Act of 2017, or so much as may be necessary, are appropriated from the indicated source for expenditure in fiscal year 2018 for the objects expressed.

D. Unexpended balances in agency accounts remaining at the end of fiscal year 2017 shall revert to the general fund by October 1, 2017 unless otherwise indicated in the Supplemental General Appropriation Act of 2017 or otherwise provided by law.

E. Unexpended balances in agency accounts remaining at the end of fiscal year 2018 shall revert to the general fund by October 1, 2018 unless otherwise indicated in the Supplemental General Appropriation Act of 2017 or otherwise provided by law.

F. The state budget division shall monitor revenue received by agencies from sources other than the general fund and shall reduce the operating budget of any agency whose revenue from such sources is not meeting projections. The state budget division shall notify the legislative finance committee of any operating budget reduced pursuant to this subsection.

G. Except as otherwise specifically stated in the Supplemental General Appropriation Act of 2017, appropriations are made in this act for the expenditures of agencies and for other purposes as required by existing law for fiscal year 2018. If any other act of the first special session of the fifty-third legislature changes existing law with regard to the name or responsibilities of an agency or the name or purpose of a fund or distribution, the appropriation made in the Supplemental General Appropriation Act of 2017 shall be transferred from the agency, fund or distribution to which an appropriation has been made as required by existing law to the appropriate agency, fund or distribution provided by the new law.

~~[H. The department of finance and administration will regularly consult with the legislative finance committee staff to compare fiscal year 2018 revenue collections with the revenue estimate. If the analyses indicate that revenues and transfers to the general fund are not expected to meet appropriations, then the department shall present a plan to the legislative finance committee that outlines the methods by which the administration proposes to address the deficit.]~~ *LINE-ITEM VETO*

I. Pursuant to Sections 6-3-23 through 6-3-25 NMSA 1978, agencies whose revenue from state board of finance loans, from revenue appropriated

by other acts of the legislature, or from gifts, grants, donations, bequests, insurance settlements, refunds or payments into revolving funds exceeds specifically appropriated amounts may request budget increases from the state budget division. If approved by the state budget division, such money is appropriated.

J. Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by Section 6-5-9.1 NMSA 1978, none of the appropriations contained in the Supplemental General Appropriation Act of 2017 may be expended for payment of agency-issued credit card invoices.

K. For the purpose of administering the Supplemental General Appropriation Act of 2017, the state of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration.

## Chapter 2 Section 4 Laws 2017 (1st S.S.)

### Section 4. FISCAL YEAR 2018 APPROPRIATIONS.--

Item	General State Fund	Other Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
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#### A. LEGISLATIVE

##### LEGISLATIVE COUNCIL SERVICE:

Appropriations:	5,660.0				5,660.0
Subtotal			5,660.0		

##### LEGISLATURE:

Appropriations:	1,386.0				1,386.0
Subtotal			1,386.0		

##### LEGISLATIVE FINANCE COMMITTEE:

Appropriations:	4,220.3				4,220.3
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[The general fund appropriation to the legislative finance committee includes one hundred twenty thousand dollars (\$120,000) to partially restore the fiscal year 2018 operating budget to the fiscal year 2016 expenditure level.] *LINE-ITEM VETO*

Subtotal			4,220.3		
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**SENATE CHIEF CLERK:**

Appropriations: 1,130.3 1,130.3

Subtotal 1,130.3

**HOUSE CHIEF CLERK:**

Appropriations: 1,097.7 1,097.7

Subtotal 1,097.7

**LEGISLATIVE EDUCATION STUDY COMMITTEE:**

Appropriations: 1,233.4 1,233.4

Subtotal 1,233.4

**LEGISLATIVE COUNCIL SERVICE:**

(1) Legislative building services:

Appropriations: 4,054.9 4,054.9

Subtotal 4,054.9

**LEGISLATIVE COUNCIL SERVICE:**

(1) Dues and membership fees:

Appropriations:

(a) Council of state governments 95.5 95.5

(b) National conference of state legislatures 127.1 127.1

(c) National conference of insurance legislators 8.9 8.9

(d) National council of legislators from gaming states 2.7 2.7

Subtotal		234.2	
TOTAL LEGISLATIVE	19,016.8		19,016.8

**B. HIGHER EDUCATION**

On approval of the higher education department, the state budget division of the department of finance and administration may approve increases in budgets of agencies in this section whose other state funds, internal service funds or interagency transfers exceed amounts specified. ~~[In approving budget increases, the director of the state budget division shall advise the legislature through its officers and appropriate committees, in writing, of the justification for the approval.]~~ *LINE-ITEM VETO*

Except as otherwise provided, any unexpended balances remaining at the end of fiscal year 2018 shall not revert to the general fund.

**UNIVERSITY OF NEW MEXICO:**

(1) Main campus:

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Appropriations:

(a)	Instruction and general purposes	175,823.2	193,644.0	3,589.0	373,056.2
(b)	Other	177,426.0	143,722.0	321,148.0	
(c)	Athletics	2,617.3	31,813.0	31.0	34,461.3
(d)	Educational television and public radio	1,080.2	6,645.0		7,725.2

Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree-seeking freshmen who completed a baccalaureate program within one hundred fifty percent of standard graduation time 49%

(b) Outcome: Percent of first-time, full-time freshmen retained to the  
third semester 80%

(2) Gallup branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general				
	purposes	8,407.1	6,724.0	670.0	15,801.1
(b)	Other	2,122.0	703.0		2,825.0

Performance measures:

(a) Outcome: Percent of first-time, full-time freshmen retained to the  
third semester 64%

(b) Outcome: Percent of a cohort of first-time, full-time, degree- or  
certificate-seeking community college students who complete  
an academic program within one hundred fifty percent of  
standard graduation time 10%

(3) Los Alamos branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general				
	purposes	1,710.4	1,977.0	491.0	4,178.4
(b)	Other	968.0	363.0		1,331.0



Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree-or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 12.3%
- (b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 45%

(4) Valencia branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

- |     |                                  |         |         |         |          |
|-----|----------------------------------|---------|---------|---------|----------|
| (a) | Instruction and general purposes | 5,135.2 | 5,002.0 | 610.0   | 10,747.2 |
| (b) | Other                            | 1,737.0 | 1,046.0 | 2,783.0 |          |

Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 10%
- (b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 65%

(5) Taos branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they

have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general purposes	3,274.1	3,498.0	855.0	7,627.1
(b)	Other	1,246.0	1,726.0	2,972.0	

Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 10%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 50%

(6) Research and public service projects:

Appropriations:

(a)	Judicial selection	21.0		21.0	
(b)	Southwest research center	1,043.3			1,043.3
(c)	Substance abuse program	68.1		68.1	
(d)	Resource geographic information system	60.8		60.8	
(e)	Southwest Indian law clinic	190.5		190.5	
(f)	Geospatial and population studies/bureau of business and economic research	353.0			353.0

(g)	New Mexico historical review	44.0	44.0
(h)	Ibero-American education	83.1	83.1
(i)	Manufacturing engineering program	515.5	515.5
(j)	Wildlife law education	88.4	88.4
(k)	Morrissey hall programs	43.6	43.6
(l)	Disabled student services	176.1	176.1
(m)	Minority student services	889.5	889.5
(n)	Community-based education	521.8	521.8
(o)	Corrine Wolfe children's law center	157.7	157.7
(p)	Utton transboundary resources center	317.7	317.7
(q)	Student mentoring program	268.1	268.1
(r)	Land grant studies	120.9	120.9
(s)	College degree mapping	68.8	68.8
(t)	Gallup branch - nurse expansion	192.1	192.1
(u)	Valencia branch - nurse expansion	155.8	155.8
(v)	Taos branch - nurse expansion	223.8	223.8

(7) Health sciences center:

The purpose of the instruction and general program at the university of New Mexico health sciences center is to provide educational, clinical and research support for the advancement of health of all New Mexicans.

Appropriations:

(a)	Instruction and general purposes	57,201.1	57,896.6	4,000.0	119,097.7
(b)	Other	338,600.0	72,500.0	411,100.0	

The other state funds appropriation to the health sciences center of the university of New Mexico includes five hundred eighty-one thousand five hundred dollars (\$581,500) from the tobacco settlement program fund.

Performance measures:

- (a) Output: Pass rate of medical school students on United States medical licensing examination, step two clinical skills exam on first attempt 98%
- (b) Outcome: Percent of nursing graduates passing the requisite licensure exam on first attempt 83%

(8) Health sciences center research and public service projects:

Appropriations:

(a)	Office of medical investigator	4,707.2	3,300.0	2.5	8,009.7
(b)	Native American health center	252.0	252.0		
(c)	Native American suicide prevention	91.4		91.4	
(d)	Children's psychiatric				

	hospital	6,692.2	10,000.0		16,692.2
(e)	Carrie Tingley hospital	4,888.8	13,600.0		
		18,488.8			
(f)	Newborn intensive care	3,074.3	2,100.0		
		5,174.3			
(g)	Pediatric oncology	1,196.1	250.0		1,446.1
(h)	Internal medicine				
	residencies	980.4		980.4	
(i)	Poison and drug				
	information center	1,456.2	590.2	96.3	2,142.7
(j)	Cancer center	2,469.5	5,300.0		13,200.0
		20,969.5			
(k)	Genomics, biocomputing				
	and environmental health				
	research	1,300.0	5,500.0		6,800.0
(l)	Trauma specialty education		250.0		250.0
(m)	Pediatrics specialty				
	education	250.0	250.0		
(n)	Hepatitis community health				
	outcomes	2,017.2		2,017.2	
(o)	Nurse expansion	1,012.3			1,012.3
(p)	Graduate nurse education	1,514.7			1,514.7
(q)	Psychiatry residencies	370.1			370.1
(r)	General surgery/family				
	community medicine				

residencies 307.7

307.7

The other state funds appropriations to the health sciences center research and public service projects of the university of New Mexico include two million two hundred seventy-seven thousand six hundred dollars (\$2,277,600) from the tobacco settlement program fund.

Subtotal

1,407,225.9

**NEW MEXICO STATE UNIVERSITY:**

(1) Main campus:

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Appropriations:

(a) Instruction and general

purposes	109,438.5	107,100.0	3,700.0	220,238.5
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(b) Other	72,000.0	78,800.0	150,800.0	
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(c) Athletics	3,117.6	10,400.0	13,517.6	
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(d) Educational television

and public radio	1,006.7	1,000.0	2,006.7	
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Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time,

degree-seeking freshmen who completed a baccalaureate

program within one hundred fifty percent of standard

graduation time 47%

(b) Outcome: Percent of first-time, full-time freshmen retained to the

third semester 75%

(2) Alamogordo branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general				
	purposes	7,036.2	3,600.0	1,700.0	12,336.2
(b)	Other	700.0	2,000.0	2,700.0	

Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 14%
- (b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 55%

(3) Carlsbad branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general				
	purposes	3,860.0	8,800.0	600.0	13,260.0
(b)	Other	600.0	1,500.0	2,100.0	

Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete

an academic program within one hundred fifty percent of  
standard graduation time 10%

(b) Outcome: Percent of first-time, full-time freshmen retained to the  
third semester 57%

(4) Dona Ana branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general purposes	21,387.3	15,300.0	1,200.0	37,887.3
(b)	Other	3,400.0	14,400.0	17,800.0	

Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 12.5%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 63%

(5) Grants branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a) Instruction and general



	purposes	3,320.1	1,500.0	1,200.0	6,020.1
(b)	Other	400.0	1,700.0	2,100.0	

Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 14%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 53%

(6) Department of agriculture:

Appropriations:	10,956.4	6,867.4	1,736.8	19,560.6
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(7) Agricultural experiment station:

Appropriations:	13,512.0	4,795.0	4,101.8	13,550.0
	35,958.8			

(8) Cooperative extension service:

Appropriations:	12,491.4	4,836.1	6,875.7	9,657.0
	33,860.2			

(9) Research and public service projects:

Appropriations:

(a)	Science, technology, engineering and mathematics alliance for minority participation	302.4		302.4
(b)	Mental health nurse practitioner	643.9		643.9

(c)	Water resource research			
	institute	615.6	[500.0] <i>LINE-ITEM VETO</i>	1,115.6
(d)	Indian resources development	274.4		274.4
(e)	Manufacturing sector			
	development program	505.8		505.8
(f)	Arrowhead center for			
	business development	310.2		310.2
(g)	Nurse expansion	700.2		700.2
(h)	Economic development			
	doctorate	91.4	91.4	
(i)	Alliance teaching and			
	learning advancement	138.6		138.6
(j)	College assistance migrant			
	program	199.8	199.8	
(k)	Carlsbad branch -			
	manufacturing sector			
	development program	216.6		216.6
(l)	Carlsbad branch - nurse			
	expansion	108.9	108.9	
(m)	Dona Ana branch - dental			
	hygiene program	206.0		206.0
(n)	Dona Ana branch - nurse			
	expansion	193.5	193.5	

~~[Notwithstanding the provisions of Section 74-1-13 NMSA 1978, the other state funds appropriation to the water resource research institute of New Mexico state university is from the water conservation fund.]~~  
 LINE-ITEM VETO

Subtotal 575,153.3

**NEW MEXICO HIGHLANDS UNIVERSITY:**

(1) Main campus:

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Appropriations:

(a)	Instruction and general purposes	26,046.1	12,216.7	172.5	38,435.3
(b)	Other	13,500.0	9,500.0		23,000.0
(c)	Athletics	1,968.7	500.0		2,468.7

Performance measures:

(a) Output: Percent of a cohort of first-time, full-time, degree-seeking freshmen who completed a baccalaureate program within one hundred fifty percent of standard graduation time 20%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 53%

(2) Research and public service projects:

Appropriations:

(a)	Advanced placement	211.6		211.6
(b)	Minority student services	514.4		514.4
(c)	Forest and watershed			

	institute	289.7		289.7
(d)	Nurse expansion	60.4		60.4
	Subtotal			64,980.1

**WESTERN NEW MEXICO UNIVERSITY:**

(1) Main campus:

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Appropriations:

(a)	Instruction and general purposes	15,996.9	13,202.0	200.0	29,398.9
(b)	Other	6,600.0	7,000.0		13,600.0
(c)	Athletics	1,742.1	600.0		2,342.1

Performance measures:

- (a) Outcome: Percent of first-time, full-time freshmen retained to the third semester 56.2%
- (b) Output: Percent of a cohort of first-time, full-time, degree-seeking freshmen who completed a baccalaureate program within one hundred fifty percent of standard graduation time 25%

(2) Research and public service projects:

Appropriations:

(a)	Instructional television	72.4		72.4
(b)	Pharmacy and phlebotomy			

	programs	57.2		57.2	
(c)	Web-based teacher licensure		129.2		129.2
(d)	Child development center	193.6			193.6
(e)	Nurse expansion	809.2		809.2	
	Subtotal			46,602.6	

### **EASTERN NEW MEXICO UNIVERSITY:**

(1) Main campus:

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Appropriations:

(a)	Instruction and general purposes	25,603.1	17,900.0	2,300.0	45,803.1
(b)	Other	11,000.0	26,000.0	37,000.0	
(c)	Athletics	1,967.4	1,800.0	3,767.4	
(d)	Educational television and public radio	1,020.9	1,400.0	90.0	2,510.9

Performance measures:

(a) Outcome: Percent of first-time, full-time freshmen retained to the third semester      64.5%

(b) Output:    Percent of a cohort of first-time, full-time, degree-seeking freshmen who completed a baccalaureate program within one hundred fifty percent of standard graduation time      35%

(2) Roswell branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a) Instruction and general

purposes	10,985.7	6,500.0	700.0	18,185.7
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(b) Other	3,700.0	8,500.0	12,200.0	
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Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 23%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 55.5%

(3) Ruidoso branch:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a) Instruction and general

purposes	1,936.1	1,800.0	1,000.0	4,736.1
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(b) Other	300.0	1,200.0	1,500.0	
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Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or

certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 18%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 35.4%

(4) Research and public service projects:

Appropriations:

(a)	Blackwater draw site and museum	87.8	35.0	122.8
(b)	Student success programs	417.0		417.0
(c)	Nurse expansion	328.0		328.0
(d)	At-risk student tutoring	224.6		224.6
(e)	Allied health	142.4		142.4
(f)	Roswell branch - nurse expansion	68.5		68.5
(g)	Roswell branch - airframe mechanics	55.3		55.3
(h)	Roswell branch - special services program	56.6		56.6
	Subtotal			127,118.4

**NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY:**

(1) Main campus:

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce,

compete and advance in the new economy and contribute to social advancement through informed citizenship.

Appropriations:

(a)	Instruction and general purposes	25,523.0	22,300.0	47,823.0
(b)	Other	17,300.0	18,500.0	35,800.0
(c)	Athletics	191.8	191.8	

Performance measures:

(a) Output: Percent of a cohort of first-time, full-time, degree-seeking freshmen who completed a baccalaureate program within one hundred fifty percent of standard graduation time 49%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 77%

(2) Bureau of mine safety:

Appropriations:	312.1	312.1
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(3) Bureau of geology and mineral resources:

Appropriations:	3,888.7	400.0	400.0	4,688.7
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The general fund appropriation to the bureau of geology and mineral resources of the New Mexico institute of mining and technology includes one hundred thousand dollars (\$100,000) from federal Mineral Leasing Act receipts.

(4) Petroleum recovery research center:

Appropriations:	1,841.2	1,300.0	3,300.0	6,441.2
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(5) Geophysical research center:

Appropriations:	1,073.2	2,300.0	6,500.0	9,873.2
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(6) Research and public service projects:



Appropriations:

(a)	Energetic materials research center	780.8	6,900.0	30,000.0	37,680.8
(b)	Science and engineering fair			196.8	196.8
(c)	Institute for complex additive systems analysis	791.8	100.0	2,200.0	3,091.8
(d)	Cave and karst research	355.4			355.4
(e)	Homeland security center	513.5			513.5
(f)	Aerospace internship program		68.8	68.8	
	Subtotal			147,037.1	

**NORTHERN NEW MEXICO COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Appropriations:

(a)	Instruction and general purposes	9,706.9	5,000.0	4,200.0	18,906.9
(b)	Other	2,900.0		4,700.0	7,600.0
(c)	Athletics	246.6	200.0		446.6

Performance measures:

(a)	Outcome: Percent of first-time, full-time freshmen retained to the third semester	66.5%
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(b) Output: Percent of a cohort of first-time, full-time, degree-seeking freshmen who completed a baccalaureate program within one hundred fifty percent of standard graduation time 25%

(2) Research and public service projects:

Appropriations:

(a)	Nurse expansion	233.0		233.0
(b)	Science, technology, engineering and math	137.3		137.3
(c)	Veterans center	114.5		114.5
	Subtotal			27,438.3

**SANTA FE COMMUNITY COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general purposes	9,182.8	26,473.0	3,300.0	38,955.8
(b)	Other	1,374.0	15,477.0	16,851.0	

Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of

standard graduation time 12%

(b) Outcome: Percent of first-time, full-time freshmen retained to the  
third semester 50%

(2) Research and public service projects:

Appropriations:

(a)	Automechanics	45.9		45.9
(b)	Small business development centers	4,055.6	2,600.0	6,655.6
(c)	Nurse expansion	253.9		253.9
(d)	Radiography technician program	91.7		91.7
	Subtotal		62,853.9	

### **CENTRAL NEW MEXICO COMMUNITY COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general purposes	52,815.8	95,000.0	5,300.0	153,115.8
(b)	Other	9,500.0	42,000.0	51,500.0	

Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or  
certificate-seeking community college students who complete

an academic program within one hundred fifty percent of  
standard graduation time 16.5%

(b) Outcome: Percent of first-time, full-time freshmen retained to the  
third semester 61.1%

(2) Research and public service projects:

Appropriations:

(a) Nurse expansion	179.6	179.6
Subtotal		204,795.4

### **LUNA COMMUNITY COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a) Instruction and general purposes	6,730.9	3,300.0	1,100.0	11,130.9
(b) Other	2,560.5	1,918.0	4,478.5	
(c) Athletics	382.4		382.4	

Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or  
certificate-seeking community college students who complete  
an academic program within one hundred fifty percent of  
standard graduation time 20%

(b) Outcome: Percent of first-time, full-time freshmen retained to the

third semester 35.5%

(2) Research and public service projects:

Appropriations:

(a)	Nurse expansion	267.0	267.0
(b)	Student retention and completion	530.6	530.6
	Subtotal		16,789.4

**MESALANDS COMMUNITY COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general purposes	3,864.2	962.0	550.0	5,376.2
(b)	Other	600.0	700.0	1,300.0	
(c)	Athletics	137.7		137.7	

Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 39%
- (b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 61.5%

(2) Research and public service projects:

Appropriations:

(a)	Wind training center	112.9	112.9
	Subtotal		6,926.8

**NEW MEXICO JUNIOR COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general purposes	5,157.9	15,000.0	800.0	20,957.9
(b)	Other	3,600.0	2,000.0	5,600.0	
(c)	Athletics	448.1		448.1	

Performance measures:

(a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 30%

(b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 70%

(2) Research and public service projects:

Appropriations:

(a) Oil and gas management

	program	161.6		161.6
(b)	Nurse expansion	282.9		282.9
(c)	Lea county distance			
	education consortium	27.5		27.5
	Subtotal			27,478.0

**SAN JUAN COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a)	Instruction and general				
	purposes	22,555.4	29,000.0	2,400.0	53,955.4
(b)	Other	5,000.0	18,000.0	23,000.0	

Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 15%
- (b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 61%

(2) Research and public service projects:

Appropriations:

(a)	Dental hygiene program	153.7		153.7
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(b) Nurse expansion	198.3	198.3
Subtotal		77,307.4

**CLOVIS COMMUNITY COLLEGE:**

(1) Main campus:

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Appropriations:

(a) Instruction and general purposes	9,094.1	5,500.0	1,200.0	15,794.1
(b) Other	500.0	5,900.0	6,400.0	

Performance measures:

- (a) Outcome: Percent of a cohort of first-time, full-time, degree- or certificate-seeking community college students who complete an academic program within one hundred fifty percent of standard graduation time 25%
- (b) Outcome: Percent of first-time, full-time freshmen retained to the third semester 55%

(2) Research and public service projects:

Appropriations:

(a) Nurse expansion	272.9	272.9
Subtotal		22,467.0

**NEW MEXICO MILITARY INSTITUTE:**

The purpose of the New Mexico military institute is to provide college-preparatory instruction for students in a residential, military environment culminating in a high school diploma or associate degree.



(1) Main campus:

Appropriations:

(a)	Instruction and general purposes	1,312.4	24,300.0	100.0	25,712.4
(b)	Other	8,500.0	900.0		9,400.0
(c)	Athletics	259.3	400.0	659.3	
(d)	Knowles legislative scholarship program		1,284.7		1,284.7

Performance measures:

(a) Outcome: Average American college testing composite scores for graduating high school seniors 22.5

(b) Outcome: Collegiate assessment of academic proficiency reading scores for graduating college sophomores 60

Subtotal 37,056.4

**NEW MEXICO SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED:**

The purpose of the New Mexico school for the blind and visually impaired is to be an innovative leader and unifying entity in the field of educating blind and visually impaired students birth through high school by identifying and ensuring quality education through collaborative relationships with students, families and state, local and national partners to provide outstanding advocacy, training, resources and support services, thus ensuring all students who are blind or visually impaired will become independent, productive members of their communities.

(1) Main campus:

Appropriations:

(a)	Instruction and general purposes	984.1	13,600.0	150.0	14,734.1
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Performance measures:

(a) Output: Number of New Mexico teachers who complete a personnel preparation program to become a teacher of the visually impaired 11

(2) Research and public service projects:

Appropriations:

(a)	Early childhood center	361.9	361.9
(b)	Low vision clinic programs	111.1	111.1
	Subtotal		15,207.1

**NEW MEXICO SCHOOL FOR THE DEAF:**

The purpose of the New Mexico school for the deaf is to provide a school-based comprehensive, fully accessible and language-rich learning environment for its students who are deaf and hard-of-hearing and to work collaboratively with families, agencies and communities throughout the state to meet the unique communication, language and learning needs of children and youth who are deaf and hard-of-hearing.

(1) Main campus:

Appropriations:

(a)	Instruction and general purposes	3,819.3	12,100.0	300.0	16,219.3
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Performance measures:

(a) Outcome: Rate of transition to postsecondary education, vocational-technical training school, junior colleges, work training or employment for graduates based on a three-year rolling average 100%

(b) Outcome: Percent of first-year signers who demonstrate improvement in American sign language based on fall or spring assessments 100%

(2) Research and public service projects:

Appropriations:

(a) Statewide outreach services	236.6	236.6
Subtotal	16,455.9	
TOTAL HIGHER EDUCATION	744,848.9	1,515,060.5
2,882,893.0	10,977.5	612,006.1

GRAND TOTAL FISCAL YEAR 2018

APPROPRIATIONS	763,865.7	1,515,060.5	10,977.5	612,006.1	2,901,909.8
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## Chapter 2 Section 5 Laws 2017 (1st S.S.)

Section 5. SPECIAL APPROPRIATIONS.--The following amounts are appropriated from the general fund or other funds as indicated for the purposes specified. Unless otherwise indicated, the appropriation may be expended in fiscal years 2017 and 2018. Unless otherwise indicated, any unexpended balances of the appropriations remaining at the end of fiscal year 2018 shall revert to the appropriate fund.

(1) LEGISLATIVE COUNCIL SERVICE	1,000.0	
1,000.0		

For capitol repairs, security and infrastructure upgrades. The appropriation is from legislative cash balances.

~~[(2) LEGISLATIVE COUNCIL SERVICE 150.0 150.0]~~

~~For the capitol buildings planning commission to conduct a statewide inventory of state property and buildings for master planning.] LINE-ITEM VETO~~

(3) LEGISLATIVE COUNCIL SERVICE	400.0	400.0
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For a tax study.

(4) ADMINISTRATIVE OFFICE		
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OF THE COURTS	99.6	99.6
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For payment of dues for the national center for state courts.

~~[(5) HUMAN SERVICES DEPARTMENT 26,400.0 26,400.0]~~

~~Contingent on enactment of legislation of the first special session of the fifty-third legislature authorizing additional distributions to the county-supported medicaid fund, up to twenty-six million four hundred thousand dollars (\$26,400,000) is appropriated to the medical assistance program of the human services~~

department for increases to inpatient and outpatient hospital rates, including five million dollars (\$5,000,000) for rate increases at hospitals classified during fiscal year 2017 as smallest and small for the purpose of receiving payments for uncompensated care from the safety net care pool fund. The other state funds appropriation is from the county-supported medicaid fund.] *LINE-ITEM VETO*

(6) HIGHER EDUCATION DEPARTMENT 500.0 500.0 1,000.0

For the student financial aid program. The other state funds appropriation is from the cash balances in the special programs fund.

(7) PUBLIC SCHOOL SUPPORT

The public education department may increase the preliminary unit value authorized in Paragraph (1) of Subsection K of Section 4 of Chapter 135 of Laws 2017 by up to sixteen dollars (\$16) per unit once [prior to July 15, 2017]. If the fiscal year 2018 state equalization guarantee distribution plus local revenue and federal revenue, as those two terms are defined in Section 22-8-25 NMSA 1978, are insufficient to fully fund the final funded fiscal year 2018 program units at the increased preliminary unit value, the secretary of public education may, after exhausting any fund balance in the state-support reserve fund to help correct the deficiency, request from the state board of finance a transfer from the general fund operating reserve in the amount necessary to correct any remaining deficiency, but only up to ten million dollars (\$10,000,000), to augment the appropriation in Laws 2017, Chapter 135 for the state equalization guarantee distribution. *LINE-ITEM VETO*

(8) UNIVERSITY OF NEW MEXICO 1,000.0 1,000.0

For the cancer center at the health sciences center. The other state funds appropriation is from university of New Mexico unrestricted fund balances.

TOTAL SPECIAL APPROPRIATIONS 1,149.6 28,900.0  
30,049.6

## Chapter 2 Section 6 Laws 2017 (1st S.S.)

Section 6. SUPPLEMENTAL APPROPRIATION.--The following amounts are appropriated from the general fund for expenditure in fiscal year 2017 for the purposes specified. Disbursement of these amounts shall be subject to certification by the agency to the department of finance and administration and the legislative finance committee that no other funds are available in fiscal year 2017 for the purpose specified and approval by the department of finance and administration. Any unexpended balances remaining at the end of fiscal year 2017 shall revert to the general fund.

(1) ADMINISTRATIVE OFFICE OF  
THE COURTS 1,233.0 1,233.0

For a shortfall in magistrate court leases.

TOTAL SUPPLEMENTAL APPROPRIATION 1,233.0  
1,233.0

## Chapter 2 Section 7 Laws 2017 (1st S.S.)

Section 7. SPECIAL SESSION APPROPRIATION.--

A. The following amounts are appropriated from the legislative cash balances for expenditure in fiscal year 2017 for the following expenses of the first special session of the fifty-third legislature:

(1) for the expense of the house of representatives, one hundred fourteen thousand five hundred dollars (\$114,500) to be disbursed on vouchers signed by the speaker and the chief clerk of the house of representatives or the chief clerk's designee;

(2) for the expense of the senate, seventy-two thousand three hundred dollars (\$72,300) to be disbursed on vouchers signed by the chair of the committees' committee and the chief clerk of the senate or the chief clerk's designee; and

(3) for the expense of the legislative council service, twenty-two thousand dollars (\$22,000) to be disbursed on vouchers signed by the director of the legislative council service or the director's designee; to reimburse the New Mexico department of public safety for providing security and protection for the legislature pursuant to Section 29-2-7 NMSA 1978.

B. Following adjournment of the first special session of the fifty-third legislature, expenditures authorized in this section shall be disbursed on vouchers signed by the director of the legislative council service or the director's designee.

**Chapter 2 Section 8 Laws 2017 (1st S.S.)**

Section 8. SEVERABILITY.--If any part or application of this act is held invalid, the remainder or its application to other situations or persons shall not be affected.

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House Bill 1, partial veto

Approved May 26, 2017

**LAWS 2017 (1st S.S.), CHAPTER 3**

AN ACT

RELATING TO TAXATION; DISTRIBUTING REVENUE IN EXCESS OF A FIVE-YEAR AVERAGE OF THE OIL AND GAS EMERGENCY SCHOOL TAX TO THE TAX STABILIZATION RESERVE; ELIMINATING THE TAXPAYERS DIVIDEND FUND; SUSPENDING A DISTRIBUTION TO THE LEGISLATIVE RETIREMENT FUND FOR TWO YEARS; DISTRIBUTING A PORTION OF THE GROSS RECEIPTS TAX TO THE

COUNTY-SUPPORTED MEDICAID FUND; PROVIDING THAT THE PLACE OF BUSINESS OF A PERSON WITHOUT PHYSICAL PRESENCE IN THIS STATE IS WHERE THE PROPERTY OR SERVICE BEING SOLD IS DELIVERED; ALLOWING A REFUND OF GROSS RECEIPTS TAX DUE A PERSON TO BE APPLIED AGAINST COMPENSATING TAX OWED BY THE PERSON'S CUSTOMER AS A RESULT OF TRANSACTIONS WITH THAT PERSON; CLARIFYING THAT A PERSON WITHOUT PHYSICAL PRESENCE IN THE STATE THAT HAS LESS THAN ONE HUNDRED THOUSAND DOLLARS (\$100,000) IN GROSS RECEIPTS IS NOT ENGAGING IN BUSINESS PURSUANT TO THE GROSS RECEIPTS AND COMPENSATING TAX ACT; BARRING THE TAXATION AND REVENUE DEPARTMENT FROM ENFORCING COLLECTION OF THE GROSS RECEIPTS TAX IN CERTAIN CIRCUMSTANCES; IMPOSING THE STATE GROSS RECEIPTS TAX ON NONPROFIT HOSPITALS; IMPOSING THE GOVERNMENTAL GROSS RECEIPTS TAX ON GOVERNMENT HOSPITALS; DISTRIBUTING THE REVENUE ATTRIBUTABLE TO TAXING ALL HOSPITALS TO THE GENERAL FUND; ADJUSTING CERTAIN DEDUCTIONS AND EXEMPTIONS FROM GROSS RECEIPTS AND GOVERNMENTAL GROSS RECEIPTS FOR HOSPITALS; REQUIRING SEPARATE REPORTING FOR CERTAIN DEDUCTIONS FROM GROSS RECEIPTS; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978; MAKING AN APPROPRIATION.

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

### **Chapter 3 Section 1 Laws 2017 (1st S.S.)**

SECTION 1. Section 6-4-4 NMSA 1978 (being Laws 1987, Chapter 347, Section 4, as amended) is amended to read:

"6-4-4. RESERVATION OF EXCESS GENERAL FUND REVENUES.--For the seventy-seventh and subsequent fiscal years, if the revenues of the general fund exceed the total of appropriations from the general fund, the excess revenue shall be transferred to the operating reserve; provided that if the sum of the excess revenue plus the balance in the operating reserve prior to the transfer is greater than eight percent of the aggregate recurring appropriations from the general fund for the previous fiscal year, then an amount equal to the smaller of either the amount of the excess revenue or the difference between the sum and eight percent of the aggregate recurring appropriations from the general fund for the previous fiscal year shall be transferred to the tax stabilization reserve."

### **Chapter 3 Section 2 Laws 2017 (1st S.S.)**

SECTION 2. Section 7-1-6.20 NMSA 1978 (being Laws 1985, Chapter 65, Section 6, as amended) is amended to read:

"7-1-6.20. IDENTIFICATION OF MONEY IN EXTRACTION TAXES SUSPENSE FUND--DISTRIBUTION.--

A. Except as provided in Subsection B of this section, after the necessary disbursements have been made from the extraction taxes suspense fund, the money remaining in the suspense fund as of the last day of the month shall be identified by tax source and distributed or transferred in accordance with the provisions of Sections 7-1-6.21 through 7-1-6.23 NMSA 1978 and Section 3 of this 2017 act. After the necessary distributions and transfers, any balance, except for remittances unidentified as to source or disposition, shall be transferred to the general fund.

B. Payments on assessments issued by the department pursuant to the Oil and Gas Conservation Tax Act, the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad Valorem Production Tax Act and the Oil and Gas Severance Tax Act shall be held in the extraction taxes suspense fund until the secretary determines that there is no substantial risk of protest or other litigation, whereupon after the necessary disbursements have been made from the extraction taxes suspense fund, the money remaining in the suspense fund as of the last day of the month attributed to these payments shall be identified by tax source and distributed or transferred in accordance with the provisions of Sections 7-1-6.21 through 7-1-6.23 NMSA 1978 and Section 3 of this 2017 act. After the necessary distributions and transfers, any balance, except for remittance unidentified as to source or disposition, shall be transferred to the general fund."

### **Chapter 3 Section 3 Laws 2017 (1st S.S.)**

SECTION 3. A new section of the Tax Administration Act is enacted to read:

"DISTRIBUTION--TAX STABILIZATION RESERVE FROM THE OIL AND GAS EMERGENCY SCHOOL TAX.--

A. A distribution pursuant to Section 7-1-6.20 NMSA 1978 shall be made to the tax stabilization reserve in an amount as calculated pursuant to Subsection B of this section.

B. If the year-to-date amount plus the current net receipts exceeds the annual average amount, the excess shall be distributed to the tax stabilization reserve. If there is not an excess amount, no distribution shall be made to the tax stabilization reserve. Each month the department shall make the calculation to determine if an excess amount should be distributed.

C. As used in this section:

(1) "annual average amount" means the total net receipts attributable to the tax imposed pursuant to Section 7-31-4 NMSA 1978 and distributed pursuant to Section 7-1-6.20 NMSA 1978 in the immediately preceding five fiscal years, divided by five; and

(2) "year-to-date amount" means the cumulative year-to-date net receipts attributable to the tax imposed pursuant to Section 7-31-4 NMSA 1978 and distributed to the general fund in the prior months of the current fiscal year."

### **Chapter 3 Section 4 Laws 2017 (1st S.S.)**

[~~SECTION 4. Section 7-1-6.4 NMSA 1978 (being Laws 1983, Chapter 211, Section 9, as amended) is amended to read:~~

#### ~~"7-1-6.4. DISTRIBUTION--MUNICIPALITY FROM GROSS RECEIPTS TAX.--~~

~~A. Except as provided in Subsection B of this section, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to each municipality in an amount, subject to any increase or decrease made pursuant to Section 7-1-6.15 NMSA 1978, equal to the product of the quotient of one and two hundred twenty-five thousandths percent divided by the tax rate imposed by Section 7-9-4 NMSA 1978 multiplied by the net receipts, except receipts attributable to a nonprofit hospital licensed by the department of health, for the month attributable to the gross receipts tax from business locations:~~

~~(1) within that municipality;~~

~~(2) on land owned by the state, commonly known as the "state fairgrounds", within the exterior boundaries of that municipality;~~

~~(3) outside the boundaries of any municipality on land owned by that municipality; and~~

~~(4) on an Indian reservation or pueblo grant in an area that is contiguous to that municipality and in which the municipality performs services pursuant to a contract between the municipality and the Indian tribe or Indian pueblo if:~~

~~(a) the contract describes an area in which the municipality is required to perform services and requires the municipality to perform services that are substantially the same as the services the municipality performs for itself; and~~

~~(b) the governing body of the municipality has submitted a copy of the contract to the secretary.~~

~~B. If the reduction made by Laws 1991, Chapter 9, Section 9 to the distribution under this section impairs the ability of a municipality to meet its principal or interest payment obligations for revenue bonds outstanding prior to July 1, 1991 that are secured by the pledge of all or part of the municipality's revenue from the distribution made under this section, then the amount distributed pursuant to this section to that municipality shall be increased by an amount sufficient to meet any required payment,~~



~~provided that the distribution amount does not exceed the amount that would have been due that municipality under this section as it was in effect on June 30, 1992.~~

~~C. A distribution pursuant to this section may be adjusted for a distribution made to a tax increment development district with respect to a portion of a gross receipts tax increment dedicated by a municipality pursuant to the Tax Increment for Development Act." ] LINE-ITEM VETO~~

### **Chapter 3 Section 5 Laws 2017 (1st S.S.)**

~~[SECTION 5. Section 7-1-6.38 NMSA 1978 (being Laws 1994, Chapter 145, Section 1, as amended) is amended to read:~~

#### ~~"7-1-6.38. DISTRIBUTION—GOVERNMENTAL GROSS RECEIPTS TAX.—~~

~~A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made in amounts equal to the following percentages of the net receipts attributable to the governmental gross receipts tax, less the net receipts attributable to a hospital licensed by the department of health:~~

~~(1) seventy-five percent to the public project revolving fund administered by the New Mexico finance authority;~~

~~(2) twenty-four percent to the energy, minerals and natural resources department; provided that forty-one and two-thirds percent of the distribution is appropriated to the energy, minerals and natural resources department to implement the provisions of the New Mexico Youth Conservation Corps Act and fifty-eight and one-third percent of the distribution is appropriated to the energy, minerals and natural resources department for state park and recreation area capital improvements, including the costs of planning, engineering, design, construction, renovation, repair, equipment and furnishings; and~~

~~(3) one percent to the cultural affairs department for capital improvements at state museums and monuments administered by the cultural affairs department.~~

~~B. The state pledges to and agrees with the holders of any bonds or notes issued by the New Mexico finance authority or by the energy, minerals and natural resources department and payable from the net receipts attributable to the governmental gross receipts tax distributed to the New Mexico finance authority or the energy, minerals and natural resources department pursuant to this section that the state will not limit, reduce or alter the distribution of the net receipts attributable to the governmental gross receipts tax to the New Mexico finance authority or the energy, minerals and natural resources department or limit, reduce or alter the rate of imposition of the governmental gross receipts tax until the bonds or notes together with the interest thereon are fully met and discharged. The New Mexico finance authority and the~~

energy, minerals and natural resources department are authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds or notes." ] *LINE-ITEM VETO*

### **Chapter 3 Section 6 Laws 2017 (1st S.S.)**

SECTION 6. Section 7-1-6.43 NMSA 1978 (being Laws 2003, Chapter 86, Section 1, as amended) is amended to read:

~~"7-1-6.43. DISTRIBUTION--LEGISLATIVE RETIREMENT FUND.--~~

A. Beginning on July 1, 2019, a distribution pursuant to Section 7-1-6.1 NMSA 1978 from the net receipts attributable to the amount of tax deducted pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act shall be made to the legislative retirement fund in the amount of seventy-five thousand dollars (\$75,000) or, if larger, in an amount equal to one-twelfth of the amount necessary to pay out the retirement benefits due under state legislator member coverage plan 2 and Paragraph (2) of Subsection C of Section 10-11-41 NMSA 1978 for the succeeding calendar year.

B. In regard to the distribution to the legislative retirement fund, in December 2003 and in each December thereafter, except in 2017, the public employees retirement association, with the assistance of the legislative council service, shall determine the amount of retirement benefits for the succeeding calendar year. If the monthly average exceeds seventy-five thousand dollars (\$75,000), the association shall immediately notify the department of the average amount."

### **Chapter 3 Section 7 Laws 2017 (1st S.S.)**

~~[SECTION 7. Section 7-1-14 NMSA 1978 (being Laws 1969, Chapter 145, Section 1, as amended) is amended to read:~~

~~"7-1-14. SECRETARY MAY DETERMINE WHERE CERTAIN GROSS RECEIPTS ARE TO BE REPORTED--PLACE OF BUSINESS FOR CONSTRUCTION PROJECTS, CERTAIN REAL PROPERTY SALES AND SALES OF OUT-OF-STATE VENDORS.--~~

~~A. By regulation, the secretary may require any person maintaining one or more places of business to report the person's taxable gross receipts and deductions for each municipality or county or area within an Indian reservation or pueblo grant in which the person maintains a place of business.~~

~~B. For persons engaged in the construction business, the place where the construction project is performed is a "place of business", and all receipts from that project are to be reported from that place of business.~~

~~C. The secretary may, by regulation, also require any person maintaining a business outside the boundaries of a municipality on land owned by that municipality to report the person's taxable gross receipts for that municipality.~~

~~D. For a person engaged in the business of selling real estate, the location of the real property sold is the "place of business", and all receipts from that sale are to be reported from that place of business.~~

~~E. For a person engaging in business but is without physical presence in this state, "place of business" is the location where the property or the product of a service being sold by the person is delivered." ] LINE-ITEM VETO~~

### **Chapter 3 Section 8 Laws 2017 (1st S.S.)**

~~[SECTION 8. Section 7-1-29 NMSA 1978 (being Laws 1965, Chapter 248, Section 31, as amended) is amended to read:~~

#### ~~"7-1-29. AUTHORITY TO MAKE REFUNDS OR CREDITS.--~~

~~A. In response to a claim for refund, credit or rebate made as provided in Section 7-1-26 NMSA 1978, but before a court acquires jurisdiction of the matter, the secretary or the secretary's delegate may authorize payment to a person in the amount of the credit or rebate claimed or refund an overpayment of tax determined by the secretary or the secretary's delegate to have been erroneously made by the person, together with allowable interest. A payment of a credit rebate claimed or a refund of tax and interest erroneously paid amounting to twenty thousand dollars (\$20,000) or more shall be made with the prior approval of the attorney general, except that the secretary or the secretary's delegate may make refunds with respect to the Oil and Gas Severance Tax Act, the Oil and Gas Conservation Tax Act, the Oil and Gas Emergency School Tax Act, the Oil and Gas Ad Valorem Production Tax Act, the Natural Gas Processors Tax Act or the Oil and Gas Production Equipment Ad Valorem Tax Act, Section 7-13-17 NMSA 1978 and the Cigarette Tax Act without the prior approval of the attorney general regardless of the amount.~~

~~B. Pursuant to the final order of the district court, the court of appeals, the supreme court of New Mexico or a federal court, from which order, appeal or review is not successfully taken, adjudging that a person has properly claimed a credit or rebate or made an overpayment of tax, the secretary shall authorize the payment to the person of the amount thereof.~~

~~C. In the discretion of the secretary, any amount of credit or rebate to be paid or tax to be refunded may be offset against any amount of tax for which the person due to receive the credit, rebate payment or refund is liable, or in the case of a refund of gross receipts tax, any compensating tax owed by that person's customer as a result of transactions with that person. The secretary or the secretary's delegate shall give notice to the taxpayer that the credit, rebate payment or refund will be made in this manner,~~

~~and the taxpayer shall be entitled to interest pursuant to Section 7-1-68 NMSA 1978 until the tax liability is credited with the credit, rebate or refund amount.~~

~~D. In an audit by the department or a managed audit covering multiple reporting periods in which both underpayments and overpayments of a tax have been made in different reporting periods, the department shall credit the tax overpayments against the underpayments, provided that the taxpayer files a claim for refund of the overpayments. An overpayment shall be applied as a credit first to the earliest underpayment and then to succeeding underpayments. An underpayment of tax to which an overpayment is credited pursuant to this section shall be deemed paid in the period in which the overpayment was made or the period to which the overpayment was credited against an underpayment, whichever is later. If the overpayments credited pursuant to this section exceed the underpayments of a tax, the amount of the net overpayment for the periods covered in the audit shall be refunded to the taxpayer.~~

~~E. When a taxpayer makes a payment identified to a particular return or assessment, and the department determines that the payment exceeds the amount due pursuant to that return or assessment, the secretary may apply the excess to the taxpayer's other liabilities pursuant to the tax acts to which the return or assessment applies, without requiring the taxpayer to file a claim for a refund. The liability to which an overpayment is applied pursuant to this section shall be deemed paid in the period in which the overpayment was made or the period to which the overpayment was applied, whichever is later.~~

~~F. If the department determines, upon review of an original or amended income tax return, corporate income and franchise tax return, estate tax return, special fuels excise tax return or oil and gas tax return, that there has been an overpayment of tax for the taxable period to which the return or amended return relates in excess of the amount due to be refunded to the taxpayer pursuant to the provisions of Subsection K of Section 7-1-26 NMSA 1978, the department may refund that excess amount to the taxpayer without requiring the taxpayer to file a refund claim.~~

~~G. Records of refunds and credits made in excess of ten thousand dollars (\$10,000) shall be available for inspection by the public. The department shall keep such records for a minimum of three years from the date of the refund or credit.~~

~~H. In response to a timely refund claim pursuant to Section 7-1-26 NMSA 1978 and notwithstanding any other provision of the Tax Administration Act, the secretary or the secretary's delegate may refund or credit a portion of an assessment of tax paid, including applicable penalties and interest representing the amount of tax previously paid by another person on behalf of the taxpayer on the same transaction, provided that the requirements of equitable recoupment are met. For purposes of this subsection, the refund claim may be filed by the taxpayer to whom the assessment was issued or by another person who claims to have previously paid the tax on behalf of the taxpayer. Prior to granting the refund or credit, the secretary may require a waiver of all~~

rights to claim a refund or credit of the tax previously paid by another person paying a tax on behalf of the taxpayer." ] *LINE-ITEM VETO*

### **Chapter 3 Section 9 Laws 2017 (1st S.S.)**

[SECTION 9. A new section of the Tax Administration Act is enacted to read:

~~"DISTRIBUTION--GROSS RECEIPTS TAX TO COUNTY-SUPPORTED MEDICAID FUND.--A distribution pursuant to Section 7-1-6.1 NMSA 1978 of the net receipts attributable to the gross receipts tax shall be made to the county supported medicaid fund in the amount of two million two hundred thousand dollars (\$2,200,000)."~~ ] *LINE-ITEM VETO*

### **Chapter 3 Section 10 Laws 2017 (1st S.S.)**

[SECTION 10. Section 7-9-3.3 NMSA 1978 (being Laws 2003, Chapter 272, Section 4) is amended to read:

~~"7-9-3.3. DEFINITION--ENGAGING IN BUSINESS.--As used in the Gross Receipts and Compensating Tax Act, "engaging in business" means carrying on or causing to be carried on any activity with the purpose of direct or indirect benefit, without regard to having physical presence, including the presence of a representative acting on behalf of the person, in the state, except that "engaging in business" does not include:~~

~~A. having a worldwide website as a third-party content provider on a computer physically located in New Mexico but owned by another nonaffiliated person;~~

~~B. using a nonaffiliated third-party call center to accept and process telephone or electronic orders of tangible personal property or licenses primarily from non-New Mexico buyers, which orders are forwarded to a location outside New Mexico for filling, or to provide services primarily to non-New Mexico customers; and~~

~~C. the activities of a person without physical presence in this state if the person and the person's affiliates have less than one hundred thousand dollars (\$100,000) of gross receipts in the state, based on receipts during the prior calendar year. As used in this subsection, "affiliate" means a business entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with another business entity." ] *LINE-ITEM VETO*~~

### **Chapter 3 Section 11 Laws 2017 (1st S.S.)**

[SECTION 11. Section 7-9-3.5 NMSA 1978 (being Laws 2003, Chapter 272, Section 3, as amended) is amended to read:

~~"7-9-3.5. DEFINITION--GROSS RECEIPTS.--~~

A. ~~As used in the Gross Receipts and Compensating Tax Act:~~

~~(1) "gross receipts" means the total amount of money or the value of other consideration received from selling property in New Mexico, from leasing or licensing property employed in New Mexico, from granting a right to use a franchise employed in New Mexico, from selling services performed outside New Mexico, the product of which is initially used in New Mexico, or from performing services in New Mexico. In an exchange in which the money or other consideration received does not represent the value of the property or service exchanged, "gross receipts" means the reasonable value of the property or service exchanged;~~

~~(2) "gross receipts" includes:~~

~~(a) any receipts from sales of tangible personal property handled on consignment, including third-party sales made over a multi-vendor marketplace platform that acts as the intermediary, typically as the processor of the transaction, between the seller and the purchaser;~~

~~(b) the total commissions or fees derived from the business of buying, selling or promoting the purchase, sale or lease, as an agent or broker on a commission or fee basis, of any property, service, stock, bond or security;~~

~~(c) amounts paid by members of any cooperative association or similar organization for sales or leases of personal property or performance of services by such organization;~~

~~(d) amounts received from transmitting messages or conversations by persons providing telephone or telegraph services;~~

~~(e) amounts received by a New Mexico florist from the sale of flowers, plants or other products that are customarily sold by florists where the sale is made pursuant to orders placed with the New Mexico florist that are filled and delivered outside New Mexico by an out-of-state florist; and~~

~~(f) the receipts of a home service provider from providing mobile telecommunications services to customers whose place of primary use is in New Mexico if: 1) the mobile telecommunications services originate and terminate in the same state, regardless of where the services originate, terminate or pass through; and 2) the charges for mobile telecommunications services are billed by or for a customer's home service provider and are deemed provided by the home service provider. For the purposes of this section, "home service provider", "mobile telecommunications services", "customer" and "place of primary use" have the meanings given in the federal Mobile Telecommunications Sourcing Act; and~~

~~(3) "gross receipts" excludes:~~

~~(a) cash discounts allowed and taken;~~

~~(b) New Mexico gross receipts tax, governmental gross receipts tax and leased vehicle gross receipts tax payable on transactions for the reporting period;~~

~~(c) taxes imposed pursuant to the provisions of any local option gross receipts tax that is payable on transactions for the reporting period;~~

~~(d) any gross receipts or sales taxes imposed by an Indian nation, tribe or pueblo; provided that the tax is approved, if approval is required by federal law or regulation, by the secretary of the interior of the United States; and provided further that the gross receipts or sales tax imposed by the Indian nation, tribe or pueblo provides a reciprocal exclusion for gross receipts, sales or gross receipts-based excise taxes imposed by the state or its political subdivisions;~~

~~(e) any type of time-price differential;~~

~~(f) amounts received solely on behalf of another in a disclosed agency capacity; and~~

~~(g) amounts received by a New Mexico florist from the sale of flowers, plants or other products that are customarily sold by florists where the sale is made pursuant to orders placed with an out-of-state florist for filling and delivery in New Mexico by a New Mexico florist.~~

~~B. When the sale of property or service is made under any type of charge, conditional or time sales contract or the leasing of property is made under a leasing contract, the seller or lessor may elect to treat all receipts, excluding any type of time-price differential, under such contracts as gross receipts as and when the payments are actually received. If the seller or lessor transfers the seller's or lessor's interest in any such contract to a third person, the seller or lessor shall pay the gross receipts tax upon the full sale or leasing contract amount, excluding any type of time-price differential." ]  
*LINE-ITEM VETO*~~

### **Chapter 3 Section 12 Laws 2017 (1st S.S.)**

~~[SECTION 12. Section 7-9-4.3 NMSA 1978 (being Laws 1991, Chapter 8, Section 2, as amended by Laws 1993, Chapter 332, Section 1 and by Laws 1993, Chapter 352, Section 1) is amended to read:~~

~~"7-9-4.3. IMPOSITION AND RATE OF TAX--DENOMINATION AS "GOVERNMENTAL GROSS RECEIPTS TAX".--For the privilege of engaging in certain activities by governments, there is imposed on every agency, institution, instrumentality or political subdivision of the state, except any school district, an excise tax of five~~

percent of governmental gross receipts. The tax imposed by this section shall be referred to as the "governmental gross receipts tax."] *LINE-ITEM VETO*

### **Chapter 3 Section 13 Laws 2017 (1st S.S.)**

[SECTION 13. Section 7-9-7.1 NMSA 1978 (being Laws 1993, Chapter 45, Section 1, as amended) is amended to read:

~~"7-9-7.1. DEPARTMENT BARRED FROM TAKING COLLECTION ACTIONS WITH RESPECT TO CERTAIN COMPENSATING TAX LIABILITIES.--~~

~~A. The department shall take no action to enforce collection of compensating tax due on purchases made by an individual if:~~

~~(1) the property is used only for nonbusiness purposes;~~

~~(2) the property is not a manufactured home; and~~

~~(3) the individual is not an agent for collection of compensating tax pursuant to Section 7-9-10 NMSA 1978.~~

~~B. The department shall take no action to enforce collection of gross receipts tax for a tax period prior to the effective date of this 2017 act on persons engaging in business if, for those tax periods, those persons:~~

~~(1) lacked physical presence in the state; and~~

~~(2) did not report taxable gross receipts.~~

~~C. The prohibition in Subsection A of this section does not prevent the department from enforcing collection of compensating tax on purchases from persons who are not individuals, who are agents for collection pursuant to Section 7-9-10 NMSA 1978 or who use the property in the course of engaging in business in New Mexico or from enforcing collection of compensating tax due on purchase of manufactured homes." ] *LINE-ITEM VETO*~~

### **Chapter 3 Section 14 Laws 2017 (1st S.S.)**

SECTION 14. Section 7-9-12 NMSA 1978 (being Laws 1969, Chapter 144, Section 5, as amended) is amended to read:

"7-9-12. EXEMPTIONS.--Exemptions from either the gross receipts tax or the compensating tax are not exemptions from both taxes unless explicitly stated otherwise by law."

### **Chapter 3 Section 15 Laws 2017 (1st S.S.)**



[SECTION 15. Section 7-9-29 NMSA 1978 (being Laws 1970, Chapter 12, Section 3, as amended) is amended to read:

~~"7-9-29. EXEMPTION GROSS RECEIPTS TAX CERTAIN ORGANIZATIONS.~~

~~A. Exempted from the gross receipts tax are the receipts of organizations that demonstrate to the department that they have been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as that section may be amended or renumbered, except receipts as provided in Subsection B of this section.~~

~~B. Exempted from any local option gross receipts tax, but not the state gross receipts tax, are receipts of an organization that is a hospital licensed by the department of health that demonstrates to the department that it has been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as that section may be amended or renumbered.~~

~~C. Exempted from the gross receipts tax are the receipts from carrying on chamber of commerce, visitor bureau and convention bureau functions of organizations that demonstrate to the department that they have been granted exemption from the federal income tax by the United States commissioner of internal revenue as organizations described in Section 501(c)(6) of the United States Internal Revenue Code of 1986, as that section may be amended or renumbered.~~

~~D. This section does not apply to receipts derived from an unrelated trade or business as defined in Section 513 of the United States Internal Revenue Code of 1986, as that section may be amended or renumbered."] *LINE-ITEM VETO*~~

### **Chapter 3 Section 16 Laws 2017 (1st S.S.)**

SECTION 16. Section 7-9-45 NMSA 1978 (being Laws 1969, Chapter 144, Section 35, as amended) is amended to read:

~~"7-9-45. DEDUCTIONS.--~~

~~A. Receipts may only be deducted once from gross receipts or governmental gross receipts when computing the gross receipts tax or governmental gross receipts tax due.~~

~~B. The same receipts shall not be both exempt from the gross receipts tax and deducted from gross receipts.~~

C. The same receipts shall not be both exempt from the governmental gross receipts tax and deducted from governmental gross receipts."

### **Chapter 3 Section 17 Laws 2017 (1st S.S.)**

[SECTION 17. Section 7-9-48 NMSA 1978 (being Laws 1969, Chapter 144, Section 38, as amended) is amended to read:

~~"7-9-48. DEDUCTION--GROSS RECEIPTS TAX--GOVERNMENTAL GROSS RECEIPTS--SALE OF A SERVICE FOR RESALE.--~~

~~A. Receipts from selling a service for resale may be deducted from gross receipts or from governmental gross receipts if the sale is made to a person who delivers a nontaxable transaction certificate to the seller. The buyer delivering the nontaxable transaction certificate must resell the service in the ordinary course of business and the resale must be subject to the gross receipts tax or governmental gross receipts tax.~~

~~B. A taxpayer allowed a deduction pursuant to this section shall report the amount deducted separately in a manner required by the department." ] *LINE-ITEM VETO*~~

### **Chapter 3 Section 18 Laws 2017 (1st S.S.)**

[SECTION 18. Section 7-9-54.3 NMSA 1978 (being Laws 2002, Chapter 37, Section 8, as amended by Laws 2010, Chapter 77, Section 2 and by Laws 2010, Chapter 78, Section 2) is amended to read:

~~"7-9-54.3. DEDUCTION--GROSS RECEIPTS TAX--WIND AND SOLAR GENERATION EQUIPMENT--SALES TO GOVERNMENTS.--~~

~~A. Receipts from selling wind generation equipment or solar generation equipment to a government for the purpose of installing a wind or solar electric generation facility may be deducted from gross receipts.~~

~~B. The deduction allowed pursuant to this section shall not be claimed for receipts from an expenditure for which a taxpayer claims a credit pursuant to Section 7-2-18.25 or 7-2A-25 NMSA 1978.~~

~~C. A taxpayer allowed a deduction pursuant to this section shall report the amount deducted separately in a manner required by the department.~~

~~D. As used in this section:~~

~~(1) "government" means the United States or the state or a governmental unit or a subdivision, agency, department or instrumentality of the federal government or the state;~~

~~(2) "related equipment" means transformers, circuit breakers and switching and metering equipment used to connect a wind or solar electric generation plant to the electric grid;~~

~~(3) "solar generation equipment" means solar thermal energy collection, concentration and heat transfer and conversion equipment; solar tracking hardware and software; photovoltaic panels and inverters; support structures; turbines and associated electrical generating equipment used to generate electricity from solar thermal energy; and related equipment; and~~

~~(4) "wind generation equipment" means wind generation turbines, blades, nacelles, rotors and supporting structures used to generate electricity from wind and related equipment." ] *LINE-ITEM VETO*~~

### **Chapter 3 Section 19 Laws 2017 (1st S.S.)**

~~[SECTION 19. Section 7-9-73.1 NMSA 1978 (being Laws 1991, Chapter 8, Section 3, as amended) is amended to read:~~

~~"7-9-73.1. DEDUCTION--GROSS RECEIPTS--HOSPITALS.--~~

~~A. Prior to July 1, 2018, sixty percent, and on and after July 1, 2018, sixty-five percent of the receipts of hospitals licensed by the department of health may be deducted from gross receipts; provided that this deduction may be applied only to the taxable gross receipts remaining after all other appropriate deductions have been taken.~~

~~B. Prior to July 1, 2018, sixty percent, and on and after July 1, 2018, sixty-five percent of the receipts of a hospital licensed by the department of health may be deducted from governmental gross receipts; provided that this deduction may be applied only to the taxable governmental gross receipts remaining after all other appropriate deductions have been taken.~~

~~C. A taxpayer allowed a deduction pursuant to this section shall report the amount deducted separately in a manner required by the department." ] *LINE-ITEM VETO*~~

### **Chapter 3 Section 20 Laws 2017 (1st S.S.)**

~~[SECTION 20. Section 7-9-73.2 NMSA 1978 (being Laws 1998, Chapter 95, Section 2 and Laws 1998, Chapter 99, Section 4, as amended) is amended to read:~~

~~"7-9-73.2. DEDUCTION--GROSS RECEIPTS TAX AND GOVERNMENTAL GROSS RECEIPTS TAX--PRESCRIPTION DRUGS--OXYGEN.--~~

~~A. Receipts from the sale of prescription drugs and oxygen and oxygen services provided by a licensed medicare durable medical equipment provider may be deducted from gross receipts and governmental gross receipts.~~

~~B. A taxpayer allowed a deduction pursuant to this section shall report the amount deducted separately in a manner required by the department.~~

~~C. For the purposes of this section, "prescription drugs" means insulin and substances that are:~~

~~(1) dispensed by or under the supervision of a licensed pharmacist or by a physician or other person authorized under state law to do so;~~

~~(2) prescribed for a specified person by a person authorized under state law to prescribe the substance; and~~

~~(3) subject to the restrictions on sale contained in Subparagraph 1 of Subsection (b) of 21 USCA 353." ] *LINE-ITEM VETO*~~

### **Chapter 3 Section 21 Laws 2017 (1st S.S.)**

[SECTION 21. Section 7-9-75 NMSA 1978 (being Laws 1972, Chapter 39, Section 2) is amended to read:

~~"7-9-75. DEDUCTION--GROSS RECEIPTS TAX--SALE OF CERTAIN SERVICES PERFORMED DIRECTLY ON PRODUCT MANUFACTURED.--~~

~~A. Receipts from selling the service of combining or processing components or materials may be deducted from gross receipts if the sale is made to a person engaged in the business of manufacturing who delivers a nontaxable transaction certificate to the seller. The buyer delivering the nontaxable transaction certificate must have the service performed directly upon tangible personal property that the buyer is in the business of manufacturing or upon ingredients or component parts thereof.~~

~~B. A taxpayer allowed a deduction pursuant to this section shall report the amount deducted separately in a manner required by the department." ] *LINE-ITEM VETO*~~

### **Chapter 3 Section 22 Laws 2017 (1st S.S.)**

[SECTION 22. TEMPORARY PROVISION--TAXATION AND REVENUE DEPARTMENT REPORT TO LEGISLATURE--HEALTH CARE INDUSTRY REVENUE AND TAX EXPENDITURES.--The taxation and revenue department shall evaluate

~~health-care-industry-related revenue collections and tax expenditures and shall, by December 1, 2017, report to the legislative finance committee and the revenue stabilization and tax policy committee the result of that evaluation with a recommendation as to whether existing tax expenditures for that industry should be adjusted.] *LINE-ITEM VETO*~~

### **Chapter 3 Section 23 Laws 2017 (1st S.S.)**

SECTION 23. REPEAL.--Section 6-4-5 NMSA 1978 (being Laws 1987, Chapter 347, Section 5) is repealed.

### **Chapter 3 Section 24 Laws 2017 (1st S.S.)**

~~[SECTION 24. ADDITIONAL REPEAL.--Sections 7-1-6.57 and 7-9-96.1 NMSA 1978 (being Laws 2007, Chapter 361, Sections 1 and 7) are repealed.] *LINE-ITEM VETO*~~

### **Chapter 3 Section 25 Laws 2017 (1st S.S.)**

SECTION 25. EFFECTIVE DATE.--

A. If this act takes effect on or before July 1, 2017, the effective date of the provisions of Sections 4 through 22 and 24 of this act is July 1, 2017.

B. If this act takes effect after July 1, 2017, the effective date of the provisions of Sections 4 through 22 and 24 of this act is the first day of the month following the date this act takes effect.

C. The effective date of the provisions of Sections 1 through 3 and 23 of this act is July 1, 2018

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House Bill 2, aa, w/o ec, partial veto

Approved May 26, 2017