

SENATE INDIAN AND CULTURAL AFFAIRS COMMITTEE SUBSTITUTE FOR
SENATE BILL 376

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

AN ACT

RELATING TO INDIAN WATER RIGHTS; TEMPORARILY ALLOCATING A
PORTION OF THE SEVERANCE TAX BONDING CAPACITY TO IMPLEMENT THE
STATE'S SHARE OF THE AAMODT, TAOS AND NAVAJO NATION WATER
RIGHTS SETTLEMENTS; MAKING AN APPROPRIATION.

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

SECTION 1. A new section of the Severance Tax Bonding Act
is enacted to read:

"[NEW MATERIAL] AUTHORIZATION FOR SEVERANCE TAX BONDS--
IMPLEMENTATION OF INDIAN WATER RIGHTS SETTLEMENTS.--

A. After the annual estimate of severance tax
bonding capacity pursuant to Subsection A of Section 7-27-10.1
NMSA 1978, for each year from fiscal year 2012 through fiscal
year 2021, the board of finance division of the department of
finance and administration shall allocate six percent of the

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underscored material = new
[bracketed material] = delete

1 estimated bonding capacity to pay the state's portion of the
2 costs necessary to implement the Aamodt, Taos and Navajo Nation
3 Indian water rights settlements, and the legislature authorizes
4 the state board of finance to issue severance tax bonds in the
5 annually allocated amount for use by the interstate stream
6 commission for that purpose. The interstate stream commission
7 shall annually certify to the state board of finance the need
8 for issuance of bonds to pay the state's portion of the costs
9 necessary to implement the Aamodt, Taos and Navajo Nation
10 Indian water rights settlements. The state board of finance
11 may issue and sell the bonds in the same manner as other
12 severance tax bonds in an amount not to exceed the authorized
13 amount provided for in this subsection. If necessary, the
14 state board of finance shall take the appropriate steps to
15 comply with the federal Internal Revenue Code of 1986, as
16 amended. Proceeds from the sale of the bonds are appropriated
17 to the Indian water rights settlement fund to pay the state's
18 portion of the costs necessary to implement the Aamodt, Taos
19 and Navajo Nation Indian water rights settlements.

20 B. Any unexpended balance from proceeds of
21 severance tax bonds issued pursuant to this section shall
22 revert to the severance tax bonding fund within six months of
23 the final disbursement from the Indian water rights settlement
24 fund of all money necessary to fully satisfy the state's
25 obligations to pay the state's portion of the costs necessary

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1 to implement the Aamodt, Taos and Navajo Nation Indian water
 2 rights settlements. The department of finance and
 3 administration shall monitor and ensure proper reversions of
 4 the bond proceeds.

5 C. The authorization for the bonds and the
 6 appropriation of the proceeds from the sale of the bonds
 7 pursuant to this section constitute the authorization of the
 8 legislature to expend the proceeds for the referenced
 9 settlements, in lieu of the requirement of Section 72-1-11 NMSA
 10 1978 for a joint resolution.

11 D. As used in this section, "Aamodt, Taos and
 12 Navajo Nation Indian water rights settlements" means the
 13 Aamodt, Taos and Navajo Nation Indian water rights settlements
 14 enacted by congress pursuant to the federal Claims Resolution
 15 Act of 2010, Public Law 111-291 (Title V, Taos Pueblo Indian
 16 Water Rights Settlement; Title VI, Aamodt Litigation Settlement
 17 Act) and the federal Omnibus Public Land Management Act of
 18 2009, Public Law 111-11 (Title X, Water Settlements, Subtitle
 19 B, Northwestern New Mexico Rural Water Projects Act Native
 20 Americans)."

21 **SECTION 2.** Section 72-1-12 NMSA 1978 (being Laws 2005,
 22 Chapter 172, Section 2) is amended to read:

23 "72-1-12. INDIAN WATER RIGHTS SETTLEMENT FUND.--The
 24 "Indian water rights settlement fund" is created in the state
 25 treasury to facilitate the implementation of the state's

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1 portion of Indian water rights settlements. The fund consists
2 of appropriations, gifts, grants, donations, proceeds from the
3 issuance of severance tax bonds, income from investment of the
4 fund and money otherwise accruing to the fund. Except for
5 severance tax bond proceeds that are required to revert to the
6 severance tax bonding fund, money in the fund shall not revert
7 to any other fund at the end of a fiscal year. Money in the
8 Indian water rights settlement fund shall be used to pay the
9 state's portion of the costs necessary to implement Indian
10 water rights settlements approved by [~~the legislature and~~] the
11 United States congress; provided that any expenditure of
12 severance tax bond proceeds or other legislative appropriations
13 shall be consistent with the purpose of the appropriation. The
14 interstate stream commission shall administer the fund, and
15 money in the fund is appropriated to the commission to carry
16 out the purposes of the fund. Money in the fund shall be
17 disbursed on warrants of the secretary of finance and
18 administration pursuant to vouchers signed by an authorized
19 representative of the interstate stream commission."

20 SECTION 3. EFFECTIVE DATE.--The effective date of the
21 provisions of this act is July 1, 2011.