

NM public works bill's demise is a \$264 million hit

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Writer

SANTA FE – The death of a \$264 million public works package in the closing minutes of New Mexico's 60-day legislative session means no money – at least this year – for hundreds of projects around the state.

A better access road to the Fort Stanton Veterans Cemetery near Ruidoso, a rebuilt Zuni Pueblo senior center and University of New Mexico building repairs were among the projects slated for funding in the infrastructure bill, which is typically approved annually.

"You've got almost \$300 million worth of economic impact to the state that is not going to happen," Sen. Carlos Cisneros, D-Questa, said Monday. "Just about everything that was in this bill is critically needed."

The public works bill, also known as capital outlay, died on the session's final day, the casualty of a political and philosophical dispute between the Republican-controlled House and the Democratic-controlled Senate.

A key area of disagreement was over how to best fund highway repair and construction projects around New Mexico. Gov. Susana Martinez and House Republicans pushed for at least \$45 million to be earmarked from the sale of state bonds backed by severance tax revenue from oil and gas production, but Democrats said road work should be paid for by an increase in the gasoline tax rate or from the state's cash reserves.

Though both the House and Senate approved versions of the bill, they did not reach a deal on a final package before Saturday's adjournment, as the latest iteration died in the Senate as the final minutes ticked off.

The House had debated the bill for three hours on Saturday morning, before approving it on a party-line 36-32 vote. It then went to the Senate for concurrence with about 20 minutes left in the session.

In her post-session remarks to reporters, Martinez blamed Senate Democrats for the bill's demise, while adding that not passing a capital outlay bill would have serious repercussions.

"What they did is they killed many jobs throughout the state, including roads, infrastructure, water and wastewater treatment facilities ... correctional facilities and museums and a variety of infrastructure in every corner of the state," Martinez said. "When they killed it, those jobs went with it."

However, top-ranking Senate Democrats said they felt blindsided by House Republicans' changes to the bill and did not have time to fully vet them.

Cisneros said it was just the third time in his 30-year legislative career that a capital outlay bill was not approved, with 2011 being the most recent before this year.

With the bill's failure, the \$264 million will not go to the proposed projects. Instead, much of that money will likely flow into the state Severance Tax Permanent Fund while a portion of it could be added onto what is typically spent on public school building projects.

A state council on public school capital outlay will meet later this week to begin discussing that possibility, according to the Legislative Finance Committee.

Meanwhile, although Martinez said Saturday she does not plan to call lawmakers back to Santa Fe for a special

session over capital outlay, several legislators said Monday they still believe such a session is possible.

“This is one measure that could be resolved with a very short special session,” said Cisneros, who added lawmakers would likely have to hammer out a compromise package before such a scenario could occur.

Sen. Sue Wilson Beffort, R-Sandia Park, also raised the possibility of a special session, but pointed out lawmakers did approve other bills during the 60-day session that could bolster the state’s economy by funding local projects.

Such legislation includes more money for New Mexico Finance Authority projects and \$37.5 million that’s earmarked in the state budget bill for a “closing fund,” which is actually a local government grant program aimed at deferring the cost of business expansion and relocation.

“It’s not like the state is going to be void of all infrastructure projects,” Beffort said.