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HOUSE BILL 435

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
James G.Taylor

AN ACT

RELATING TO PUBLIC FINANCING; AUTHORIZING THE ISSUANCE OF NEW
MEXICO FINANCE AUTHORITY REVENUE BONDS FOR ATHLETIC
FACILITIES; CREATING A FUND; PROVIDING FOR DISTRIBUTION OF
CERTAIN GOVERNMENTAL GROSS RECEIPTS TAXES; MAKING
APPROPRIATIONS.

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

Section 1. Section 6-21-1 NMSA 1978 (being Laws 1992,
Chapter 61, Section 1) is amended to read:

"6-21-1. SHORT TITLE.--~~[Sections 1 through 29 of this
act]~~ Chapter 6, Article 21 NMSA 1978 may be cited as the "New
Mexico Finance Authority Act"."

Section 2. A new section of the New Mexico Finance
Authority Act is enacted to read:

"[NEW MATERIAL] ATHLETIC FACILITIES FINANCING FUND--
CREATED.--"

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1 A. The "athletic facilities financing fund" is
2 created within the authority. The fund shall be administered
3 by the authority as a separate account, and the authority may
4 create such accounts as the authority deems necessary to
5 carry out the purposes of the fund. The authority is
6 authorized to administer the fund in accordance with the New
7 Mexico Finance Authority Act.

8 B. The athletic facilities financing fund shall
9 consist of money appropriated, distributed or otherwise
10 allocated to the fund for the purpose of financing athletic
11 facilities.

12 C. Money appropriated to pay administrative costs
13 and money available for administrative costs from other
14 sources shall not be deposited in the athletic facilities
15 financing fund and shall be deposited in a separate account
16 of the authority and may be used by the authority to meet
17 administrative costs of the authority. The authority is
18 authorized to deduct administrative costs annually from the
19 fund prior to making the transfer required by Subsection G of
20 this section.

21 D. The money in the athletic facilities financing
22 fund shall be pledged irrevocably for the payment of the
23 principal, interest and other expenses or obligations related
24 to bonds payable from the athletic facilities financing fund.

25 E. Money in the athletic facilities financing fund
not needed for immediate disbursement, including any money
held in reserve, may be deposited with the state treasurer

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1 for short-term investment pursuant to Section 6-10-10.1 NMSA
2 1978 or may be invested in direct and general obligations of
3 or obligations fully and unconditionally guaranteed by the
4 United States, obligations issued by agencies of the United
5 States, obligations of this state or any political
6 subdivision of the state, interest-bearing time deposits,
7 commercial paper issued by corporations organized and
8 operating in the United States and rated "prime" quality by a
9 national rating service or as otherwise provided by the trust
10 indenture or bond resolution, if money in the fund is pledged
11 for or to secure payment of bonds issued by the authority.

12 F. The authority shall establish fiscal controls
13 and accounting procedures that are sufficient to ensure
14 proper accounting for fund payments, disbursements and
15 balances.

16 G. At the end of any fiscal year, after all debt
17 service charges, replenishment of reserves and administrative
18 costs on all outstanding revenue bonds, notes or other
19 obligations payable from the athletic facilities financing
20 fund are satisfied, the balance remaining in the athletic
21 facilities financing fund shall be transferred by the
22 authority to the energy, minerals and natural resources
23 department. Forty percent of the amount transferred is
24 appropriated to the energy, minerals and natural resources
25 department to implement the provisions of the New Mexico
Youth Conservation Corps Act, and sixty percent of the amount
transferred is appropriated to the energy, minerals and

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1 natural resources department for state park and recreation
2 area capital improvements, including the costs of planning,
3 engineering, design, construction, renovation, repair,
4 equipment and furnishings."

5 Section 3. Section 6-21-6.1 NMSA 1978 (being Laws 1994,
6 Chapter 145, Section 2, as amended) is amended to read:

7 "6-21-6.1. PUBLIC PROJECT REVOLVING FUND--
8 APPROPRIATIONS TO OTHER FUNDS.--

9 A. The authority and the department of environment
10 may enter into a joint powers agreement pursuant to the Joint
11 Powers Agreements Act for the purpose of describing and
12 allocating duties and responsibilities with respect to
13 creation of an integrated loan and grant program to be
14 financed through issuance of bonds payable from the public
15 project revolving fund. The bonds may be issued in
16 installments or at one time by the authority in amounts
17 authorized by law. The aggregate amount of bonds authorized
18 and outstanding pursuant to this subsection shall not be
19 greater than the amount of bonds that may be annually repaid
20 from an amount not to exceed thirty-five percent of the
21 governmental gross receipts tax proceeds distributed to the
22 public project revolving fund in the preceding fiscal year.
23 The net proceeds may be used for purposes of the water and
24 wastewater project grant fund as specified in the New Mexico
25 Finance Authority Act or for purposes of the Wastewater
Facility Construction Loan Act, the Rural Infrastructure Act,
the Solid Waste Act or the Drinking Water State Revolving

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1 Loan Fund Act.

2 B. Public projects funded pursuant to the
3 Wastewater Facility Construction Loan Act, the Rural
4 Infrastructure Act, the Solid Waste Act or the Drinking Water
5 State Revolving Loan Fund Act shall not require specific
6 authorization by law as required in Sections 6-21-6 and
7 6-21-8 NMSA 1978.

8 C. At the end of each fiscal year, after all debt
9 service charges, replenishment of reserves and administrative
10 costs on all outstanding bonds, notes or other obligations
11 payable from the public project revolving fund are satisfied,
12 an aggregate amount not to exceed thirty-five percent of the
13 governmental gross receipts tax proceeds distributed pursuant
14 to Subsection A of Section 7-1-6.38 NMSA 1978 to the public
15 project revolving fund in the preceding fiscal year less all
16 debt service charges and administrative costs of the
17 authority paid in the preceding fiscal year on bonds issued
18 pursuant to this section may be appropriated by the
19 legislature from the public project revolving fund to the
20 following funds for local infrastructure financing:

21 (1) the wastewater facility construction
22 loan fund for purposes of the Wastewater Facility
23 Construction Loan Act;

24 (2) the rural infrastructure revolving loan
25 fund for purposes of the Rural Infrastructure Act;

(3) the solid waste facility grant fund for
purposes of the Solid Waste Act;

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1 (4) the drinking water state revolving loan
2 fund for purposes of the Drinking Water State Revolving Loan
3 Fund Act; or

4 (5) the water and wastewater project grant
5 fund for purposes specified in the New Mexico Finance
6 Authority Act.

7 D. The authority and the department of environment
8 in coordination with the New Mexico finance authority
9 oversight committee may recommend annually to each regular
10 session of the legislature amounts to be appropriated to the
11 funds listed in Subsection C of this section for local
12 infrastructure financing."

13 Section 4. Section 7-1-6.38 NMSA 1978 (being Laws 1994,
14 Chapter 145, Section 1, as amended) is amended to read:

15 "7-1-6.38. DISTRIBUTION--GOVERNMENTAL GROSS RECEIPTS
16 TAX.--

17 A. A distribution pursuant to Section 7-1-6.1 NMSA
18 1978 shall be made to the public project revolving fund
19 administered by the New Mexico finance authority in an amount
20 equal to seventy-five percent of the net receipts
21 attributable to the governmental gross receipts tax.

22 B. A distribution pursuant to Section 7-1-6.1 NMSA
23 1978 shall be made to the [~~energy, minerals and natural~~
24 ~~resources department~~] public project revolving fund
25 administered by the New Mexico finance authority in an amount
equal to twenty-five percent of the net receipts attributable
to the governmental gross receipts tax. [~~Forty percent of~~

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1 ~~the distribution is appropriated to the energy, minerals and~~
2 ~~natural resources department to implement the provisions of~~
3 ~~the New Mexico Youth Conservation Corps Act, and sixty~~
4 ~~percent of the distribution is appropriated to the energy,~~
5 ~~minerals and natural resources department for state park and~~
6 ~~recreation area capital improvements, including the costs of~~
7 ~~planning, engineering, design, construction, renovation,~~
8 ~~repair, equipment and furnishings.] After reservation of~~
9 ~~money sufficient to pay the debt service on bonds payable~~
10 ~~from the governmental gross receipts tax issued by the state~~
11 ~~parks division of the energy, minerals and natural resources~~
12 ~~department prior to January 1, 2000, the New Mexico finance~~
13 ~~authority shall transfer the balance from the distribution in~~
14 ~~this subsection monthly to the athletic facilities financing~~
15 ~~fund administered by the authority.~~

16 C. The state pledges to and agrees with the
17 holders of any bonds or notes issued by the New Mexico
18 finance authority [~~or by the energy, minerals and natural~~
19 ~~resources department~~] and payable from the net receipts
20 attributable to the governmental gross receipts tax
21 distributed to the New Mexico finance authority [~~or the~~
22 ~~energy, minerals and natural resources department~~] pursuant
23 to this section that the state will not limit, reduce or
24 alter the distribution of the net receipts attributable to
25 the governmental gross receipts tax to the New Mexico finance
authority [~~or the energy, minerals and natural resources~~
~~department~~], limit, reduce, alter or exempt any of the

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1 receipts or activities of governmental entities subject to
2 the governmental gross receipts tax or limit, reduce or alter
3 the rate of imposition of the governmental gross receipts tax
4 until the bonds or notes together with the interest thereon
5 are fully met and discharged or provision has been made for
6 the full payment and discharge. The New Mexico finance
7 authority [~~and the energy, minerals and natural resources~~
8 ~~department are~~] is authorized to include this pledge and
9 agreement of the state in any agreement with the holders of
10 the bonds or notes."

11 Section 5. NEW MEXICO FINANCE AUTHORITY--REVENUE BONDS--
12 -PURPOSE--APPROPRIATION OF PROCEEDS.--

13 A. The New Mexico finance authority may issue and
14 sell revenue bonds, payable solely from the athletic
15 facilities financing fund, in compliance with the provisions
16 of the New Mexico Finance Authority Act in installments or at
17 one time in an amount not to exceed eighteen million dollars
18 (\$18,000,000) for the purpose of financing the design,
19 construction, renovation, expansion, improvement, completion
20 and equipping of athletic facilities.

21 B. The proceeds from the bonds are appropriated as
22 follows:

23 (1) seven million five hundred thousand
24 dollars (\$7,500,000) to the board of regents of the
25 university of New Mexico in Albuquerque to renovate and
expand the university stadium;

(2) seven million five hundred thousand

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1 dollars (\$7,500,000) to the board of regents of New Mexico
2 state university in Las Cruces to improve and renovate
3 athletic facilities;

4 (3) one million dollars (\$1,000,000) to the
5 board of regents of western New Mexico university in Silver
6 City to complete the football stadium;

7 (4) one million dollars (\$1,000,000) to the
8 board of regents of New Mexico highlands university in Las
9 Vegas to improve athletic facilities; and

10 (5) one million dollars (\$1,000,000) to the
11 board of regents of eastern New Mexico university in Portales
12 to improve athletic facilities.

13 C. The costs of issuance of the bonds shall be
14 paid from the athletic facilities financing fund.

15 D. Upon payment of all principal, interest and
16 other expenses or obligations related to the bonds, the New
17 Mexico finance authority shall certify to the taxation and
18 revenue department that all obligations for the bonds issued
19 pursuant to this section have been fully discharged and
20 direct the taxation and revenue department to cease
21 distributing twenty-five percent of the net receipts
22 attributable to the governmental gross receipts tax to the
23 authority and to commence distributing that amount to the
24 energy, minerals and natural resources department. Forty
25 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,

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1 and sixty percent of the distribution is appropriated to the
2 energy, minerals and natural resources department for state
3 park and recreation area capital improvements, including the
4 costs of planning, engineering, design, construction,
5 renovation, repair, equipment and furnishings.

6 E. Any law imposing governmental gross receipts
7 taxes, authorizing the collection of governmental gross
8 receipts taxes or directing deposits into the athletic
9 facilities financing fund shall not be amended, repealed or
10 otherwise directly or indirectly modified so as to impair
11 outstanding revenue bonds that may be secured by a pledge of
12 money in the athletic facilities financing fund, unless the
13 revenue bonds have been discharged in full or provisions have
14 been made for a full discharge.

15 F. The New Mexico finance authority may
16 additionally secure the revenue bonds issued pursuant to this
17 section by a pledge of money in the public project revolving
18 fund with a lien priority on the money in the public project
19 revolving fund as determined by the authority.

20 Section 6. EFFECTIVE DATE.--The effective date of the
21 provisions of this act is July 1, 2000.