

CHAPTER 53

CHAPTER 53, LAWS 2002

AN ACT

RELATING TO FINANCE; AMENDING THE NEW MEXICO FINANCE AUTHORITY ACT TO ALLOW THE PUBLIC PROJECT REVOLVING FUND TO BE USED TO PURCHASE BONDS ISSUED BY THE NEW MEXICO FINANCE AUTHORITY; DECLARING AN EMERGENCY.

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

Section 1. Section 6-21-6 NMSA 1978 (being Laws 1992, Chapter 61, Section 6, as amended by Laws 2000, Chapter 80, Section 3 and also by Laws 2000, Chapter 93, Section 1) is amended to read:

"6-21-6. PUBLIC PROJECT REVOLVING FUND--PURPOSE--

ADMINISTRATION.--

A. The "public project revolving fund" is created within the authority. The fund shall be administered by the authority as a separate account, but may consist of such subaccounts as the authority deems necessary to carry out the purposes of the fund. The authority may establish procedures and adopt rules as required to administer the fund in accordance with the New Mexico Finance Authority Act.

B. Except as otherwise provided in the New Mexico Finance Authority Act, money from payments of principal of and interest on loans and payments of principal of and interest on securities held by the authority for public projects authorized specifically by law shall be deposited in the public project revolving fund. The fund shall also consist of any other money appropriated, distributed or otherwise allocated to the fund for the purpose of financing public projects authorized specifically by law.

C. Money appropriated to pay administrative costs, money available for administrative costs from other sources and money from payments of interest on loans or securities held by the authority, including payments of interest on loans and securities held by the authority for public projects authorized specifically by law, that represents payments for administrative costs shall not be deposited in the public project revolving fund and shall be deposited in a separate account of the authority and may be used by the authority to meet administrative costs of the authority.

D. Except as otherwise provided in the New Mexico Finance Authority Act, money in the public project revolving

fund is appropriated to the authority to pay the reasonably necessary costs of originating and servicing loans, grants or securities funded by the fund and to make loans or grants and to purchase or sell securities to assist qualified entities in financing public projects in accordance with the New Mexico Finance Authority Act and pursuant to specific authorization by law for each project.

E. Money in the public project revolving fund not needed for immediate disbursement, including money held in reserve, may be deposited with the state treasurer for short-term investment pursuant to Section 6-10-10.1 NMSA 1978 or may be invested in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, obligations of this state or any political subdivision of the state, interest-bearing time deposits, commercial paper issued by corporations organized and operating in the United States and rated "prime" quality by a national rating service, other investments permitted by Section 6-10-10 NMSA 1978 or as otherwise provided by the trust indenture or bond resolution, if money is pledged for or secures payment of bonds issued by the authority.

F. The authority shall establish fiscal controls and accounting procedures that are sufficient to assure proper accounting for public project revolving fund payments, disbursements and balances.

G. Money on deposit in the public project revolving fund may be used to make interim loans for a term not exceeding two years to qualified entities for the purpose of providing interim financing for any project approved or funded by the legislature.

H. Money on deposit in the public project revolving fund may be used to acquire securities or to make loans to qualified entities in connection with the equipment program. As used in this subsection, "equipment program" means the program of the authority designed to finance:

- (1) the acquisition of equipment for:
 - (a) fire protection;
 - (b) law enforcement and protection;
 - (c) computer and data processing;
 - (d) street and road construction and maintenance;
 - (e) emergency medical services;

and disposal;

- (f) solid waste collection, transfer
- (g) radio and telecommunications; and
- (h) utility system purposes; and

(2) the acquisition, construction and improvement of fire stations.

I. The amount of securities acquired from or the loan made to a qualified entity at any one time pursuant to Subsection H of this section shall not exceed five hundred thousand dollars (\$500,000). The authority shall either obtain specific authorization by law for the projects funded through the equipment program at a legislative session subsequent to the acquisitions of the securities or the making of loans or issue bonds within two years of the date the securities are acquired or within two years of the date on which the loans are made and use the bond proceeds to reimburse the public project revolving fund for the amounts temporarily used to acquire securities or to make loans. The temporarily funded projects under the equipment program are not required to obtain specific authorization by law required of projects permanently funded from the public project revolving fund, as provided in this section and Section 6-21-8 NMSA 1978.

J. Money on deposit in the public project revolving fund may be designated as a reserve for any bonds issued by the authority, including bonds payable from sources other than the public project revolving fund, and the authority may covenant in any bond resolution or trust indenture to maintain and replenish the reserve from money deposited in the public project revolving fund after issuance of bonds by the authority.

K. Money on deposit in the public project revolving fund may be used to purchase bonds issued by the authority, which are payable from any designated source of revenues or collateral. Purchasing and holding such bonds in the public project revolving fund shall not, as a matter of law, result in cancellation or merger of such bonds notwithstanding the fact that the authority as the issuer of such bonds is obligated to make the required debt service payments and the public project revolving fund held by the authority is entitled to receive the required debt service payments."

Section 2. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.

SIGNED MARCH 4, 2002