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SENATE BILL 275

**51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO PUBLIC FINANCE; AUTHORIZING THE ISSUANCE OF REVENUE BONDS SECURED BY CIGARETTE TAX DISTRIBUTIONS FOR DEPARTMENT OF HEALTH FACILITIES; MAKING AN APPROPRIATION.

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

SECTION 1. Section 6-21-6.10 NMSA 1978 (being Laws 2005, Chapter 58, Section 1) is amended to read:

"6-21-6.10. NEW MEXICO FINANCE AUTHORITY REVENUE BONDS-- PURPOSE--APPROPRIATION.--

A. The [~~New Mexico finance~~] authority may issue and sell revenue bonds in compliance with the New Mexico Finance Authority Act in an amount not exceeding two million five hundred thousand dollars (\$2,500,000) for the behavioral health capital fund to make loans to eligible entities for capital projects pursuant to the Behavioral Health Capital Funding Act

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1 and the following provisions:

2 [B-] (1) the net proceeds from the sale of the  
3 bonds are appropriated to the behavioral health capital fund  
4 for the purposes [~~described in Subsection A of this section~~] of  
5 this subsection;

6 [G-] (2) the cigarette tax proceeds  
7 distributed to the [~~New Mexico finance~~] authority pursuant to  
8 Subsection D of Section 7-1-6.11 NMSA 1978 are appropriated to  
9 the authority to be pledged irrevocably for the payment of the  
10 principal, interest, premiums and related expenses on the bonds  
11 and for payment of the expenses incurred by the authority  
12 related to the issuance, sale and administration of the bonds;  
13 and

14 [D-] (3) the cigarette tax proceeds  
15 appropriated and distributed to the authority pursuant to  
16 Subsection D of Section 7-1-6.11 NMSA 1978 shall be deposited  
17 in a separate fund or account of the authority. Money in the  
18 separate fund or account in excess of the amount necessary for  
19 payment of principal and interest on the bonds and necessary  
20 reserves or sinking funds may be transferred to any other  
21 account of the authority and used for purposes of the New  
22 Mexico Finance Authority Act.

23 B. The authority may issue and sell revenue bonds  
24 in compliance with the New Mexico Finance Authority Act in an  
25 amount specifically authorized by law for land acquisition for,

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1 and the planning, designing, construction and equipping of,  
2 department of health facilities or improvements to those  
3 facilities when the secretary of health certifies that those  
4 projects are a priority and to pay the costs associated with  
5 issuing the bonds pursuant to the following provisions:

6 (1) the net proceeds from the sale of the  
7 bonds are appropriated to the facilities management division of  
8 the general services department for the projects certified by  
9 the secretary of health;

10 (2) the cigarette tax proceeds distributed to  
11 the authority pursuant to Subsection F of Section 7-1-6.11 NMSA  
12 1978 are appropriated to the authority to be pledged  
13 irrevocably for the payment of the principal, interest,  
14 premiums and related expenses on the bonds and for payment of  
15 the expenses incurred by the authority related to the issuance,  
16 sale and administration of the bonds; and

17 (3) the cigarette tax proceeds appropriated  
18 and distributed to the authority pursuant to Subsection F of  
19 Section 7-1-6.11 NMSA 1978 shall be deposited in a separate  
20 fund or account of the authority. Money in the separate fund  
21 or account in excess of the amount necessary for payment of  
22 principal and interest on the bonds and necessary reserves or  
23 sinking funds may be transferred to any other account of the  
24 authority and used for purposes of the New Mexico Finance  
25 Authority Act.

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1           ~~[E-]~~ C. Any law authorizing the imposition,  
2 collection or distribution of the cigarette tax or that  
3 affects the cigarette tax shall not be amended, repealed or  
4 otherwise directly or indirectly modified so as to impair or  
5 reduce debt service coverage for any outstanding revenue  
6 bonds that may be secured by a pledge of those cigarette tax  
7 revenues, unless the revenue bonds have been discharged in  
8 full or provisions have been made for a full discharge.

9           D. The authority may additionally secure the  
10 revenue bonds issued pursuant to this section by a pledge of  
11 money in the public project revolving fund with a lien  
12 priority on the money in the public project revolving fund as  
13 determined by the authority.

14           E. The authority may purchase revenue bonds  
15 issued pursuant to this section with money in the public  
16 project revolving fund pursuant to the provisions of Section  
17 6-21-6 NMSA 1978."

18           **SECTION 2.** A new section of the New Mexico Finance  
19 Authority Act is enacted to read:

20           "[NEW MATERIAL] AUTHORIZATION FOR REVENUE BONDS--  
21 DEPARTMENT OF HEALTH FACILITIES.--Pursuant to Subsection B of  
22 Section 6-21-6.10 NMSA 1978 and the New Mexico Finance  
23 Authority Act, the authority may issue and sell revenue bonds  
24 in an amount not exceeding five million dollars (\$5,000,000),  
25 plus an amount equal to the costs of issuing the revenue

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bonds, for projects that the secretary of health has certified are a priority."