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HOUSE BILL 8

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

George Dodge Jr. And Patricia A. Lundstrom

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO TAXATION; ELIMINATING A DISTRIBUTION OF THE
CIGARETTE TAX.

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, as amended) is amended to read:

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

A. The 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.

B. The net proceeds from the sale of the bonds are

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1 appropriated to the behavioral health capital fund for the
2 purposes described in Subsection A of this section.

3 ~~[G. The cigarette tax proceeds distributed to the~~
4 ~~authority pursuant to Subsection D of Section 7-1-6.11 NMSA~~
5 ~~1978:~~

6 ~~(1) are appropriated to the authority to be~~
7 ~~pledged irrevocably for the payment of the principal, interest,~~
8 ~~premiums and related expenses on the bonds and for payment of~~
9 ~~the expenses incurred by the authority related to the issuance,~~
10 ~~sale and administration of the bonds; and~~

11 ~~(2) shall be deposited in a separate fund or~~
12 ~~account of the authority; provided that money in the separate~~
13 ~~fund or account in excess of the amount necessary for payment~~
14 ~~of principal and interest on the bonds and necessary reserves~~
15 ~~or sinking funds may be transferred to any other account of the~~
16 ~~authority and used for purposes of the New Mexico Finance~~
17 ~~Authority Act.~~

18 ~~D.]~~ C. The authority may issue and sell revenue
19 bonds in compliance with the New Mexico Finance Authority Act
20 in an amount not to exceed five million dollars (\$5,000,000)
21 for acquiring land for and planning, designing, constructing
22 and equipping department of health facilities or improvements
23 to those facilities, upon certification from the secretary of
24 health that such projects are needed. The costs associated
25 with issuing the bonds shall be paid from the net proceeds from

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1 the sale of the bonds, and the remainder is appropriated to the
2 facilities management division of the general services
3 department for the projects certified pursuant to this
4 subsection.

5 ~~[E-]~~ D. The cigarette tax proceeds distributed to
6 the authority pursuant to Subsection ~~[F]~~ C of Section 7-1-6.11
7 NMSA 1978:

8 (1) are appropriated to the authority to be
9 pledged irrevocably for the payment of the principal, interest,
10 premiums and related expenses of the bonds and for payment of
11 the expenses incurred by the authority related to the issuance,
12 sale and administration of the bonds; and

13 (2) shall be deposited in a separate fund or
14 account of the authority.

15 ~~[F-]~~ E. Any law authorizing the imposition,
16 collection or distribution of the cigarette tax or that affects
17 the cigarette tax shall not be amended, repealed or otherwise
18 directly or indirectly modified so as to impair or reduce debt
19 service coverage for any outstanding revenue bonds that may be
20 secured by a pledge of those cigarette tax revenues, unless the
21 revenue bonds have been discharged in full or provisions have
22 been made for a full discharge.

23 ~~[G-]~~ F. The authority may secure the revenue bonds
24 issued pursuant to this section by a pledge of money in the
25 public project revolving fund with a lien priority on the money

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1 in the public project revolving fund as determined by the
2 authority."

3 SECTION 2. Section 7-1-6.11 NMSA 1978 (being Laws 1983,
4 Chapter 211, Section 16, as amended) is amended to read:

5 "7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES.--

6 [~~G.~~] A. A distribution pursuant to Section 7-1-6.1
7 NMSA 1978 shall be made to the cancer research and treatment
8 center at the university of New Mexico health sciences center
9 in an amount equal to eighty-three hundredths percent of the
10 net receipts, exclusive of penalties and interest, attributable
11 to the cigarette tax.

12 [~~D.~~] ~~A distribution pursuant to Section 7-1-6.1 NMSA~~
13 ~~1978 shall be made to the New Mexico finance authority in an~~
14 ~~amount equal to one and twenty-five hundredths percent of the~~
15 ~~net receipts, exclusive of penalties and interest, attributable~~
16 ~~to the cigarette tax.~~

17 ~~E.]~~ B. A distribution pursuant to Section 7-1-6.1
18 NMSA 1978 in an amount equal to eight and eighty-nine
19 hundredths percent of the net receipts, exclusive of penalties
20 and interest, attributable to the cigarette tax, shall be made,
21 on behalf of and for the benefit of the university of New
22 Mexico health sciences center, to the New Mexico finance
23 authority.

24 [~~F.~~] C. A distribution pursuant to Section 7-1-6.1
25 NMSA 1978 in an amount equal to three and seventy-four

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1 hundredths percent of the net receipts, exclusive of penalties
2 and interest, attributable to the cigarette tax shall be made
3 to the New Mexico finance authority for land acquisition and
4 the planning, designing, construction and equipping of
5 department of health facilities or improvements to such
6 facilities.

7 ~~[G.]~~ D. A distribution pursuant to Section 7-1-6.1
8 NMSA 1978 in an amount equal to nine and seventy-seven
9 hundredths percent of the net receipts, exclusive of penalties
10 and interest, attributable to the cigarette tax shall be made
11 to the New Mexico finance authority for deposit in the credit
12 enhancement account created in the authority.

13 ~~[H.]~~ E. A distribution pursuant to Section 7-1-6.1
14 NMSA 1978 in an amount equal to sixty-two hundredths percent of
15 the net receipts, exclusive of penalties and interest,
16 attributable to the cigarette tax shall be made, on behalf of
17 and for the benefit of the rural county cancer treatment fund,
18 to the New Mexico finance authority."

19 **SECTION 3. EFFECTIVE DATE.**--The effective date of the
20 provisions of this act is the later of:

- 21 A. November 1, 2017; or
22 B. the first day of the month following the day the
23 chief executive officer of the New Mexico finance authority
24 certifies to the secretary of taxation and revenue, the
25 secretary of finance and administration, the legislative

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1 council service and the New Mexico compilation commission that
2 the bonds issued pursuant to Section 6-21-6.10 NMSA 1978 have
3 been discharged in full and the distribution pursuant to
4 Subsection D of Section 7-1-6.11 NMSA 1978 is no longer needed
5 to pay debt service, as that subsection was in effect prior to
6 the effective date of this act.

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