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AN ACT

RELATING TO ECONOMIC DEVELOPMENT; EXTENDING THE DATE AFTER WHICH STATEWIDE ECONOMIC DEVELOPMENT FINANCE ACT STANDARD PROJECTS MUST BE APPROVED BY LAW.

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

SECTION 1. Section 6-25-6 NMSA 1978 (being Laws 2016, Chapter 38, Section 1) is amended to read:

"6-25-6. NEW MEXICO FINANCE AUTHORITY--ADDITIONAL POWERS AND DUTIES.--

A. To implement a program to assist eligible entities in financing projects, the authority has the powers specified in this section.

B. State projects receiving financing assistance with money in the fund shall first be approved by law. To protect public money in the fund or other public resources, rules of the authority relating to state projects shall include provisions to ensure achievement of the economic development goals of the state project and shall describe the means of recovering public money or other public resources if an eligible entity defaults on its obligations to the authority.

C. Standard projects receiving financing assistance with money in the fund shall be approved by the authority pursuant to rules approved by the New Mexico

1 finance authority oversight committee. Beginning
2 July 1, 2023, standard projects shall first be approved
3 by law.

4 D. The authority may:

5 (1) issue project revenue bonds on behalf of
6 an eligible entity, payable from the revenues of a project
7 and other revenues authorized as security for the bonds, to
8 finance a project on behalf of an eligible entity;

9 (2) make loans from the fund for projects to
10 eligible entities that establish one or more dedicated
11 sources of revenue to repay the loan from the authority;

12 (3) enter into loan participation agreements
13 from the fund for projects, whether in the form of an
14 interest rate buy-down, the purchase of loans or portions of
15 loans originated and underwritten by third-party lenders or
16 other similar arrangements;

17 (4) provide loan guarantees from the fund
18 for projects;

19 (5) make, execute and enforce all contracts
20 necessary, convenient or desirable for purposes of the
21 authority or pertaining to project revenue bonds, economic
22 development revolving fund bonds, loans, loan participations
23 or loan guarantees and the Statewide Economic Development
24 Finance Act and pay the reasonable value of services rendered
25 to the authority pursuant to the contracts;

1 (6) purchase and hold loans and loan
2 participations in the fund at prices and in a manner
3 determined by the authority;

4 (7) sell loans and loan participations
5 acquired or held by the authority in the fund at prices and
6 in a manner determined by the authority;

7 (8) prescribe the form of application or
8 procedure required of an eligible entity to apply for
9 financing assistance;

10 (9) fix the terms and conditions of the
11 financing assistance, including the priority of lien and type
12 of collateral or other security, and enter into agreements
13 with eligible entities with respect to financing assistance;

14 (10) fix, revise from time to time, charge
15 and collect fees and other charges in connection with the
16 issuance of bonds; the making, purchase, participation in or
17 guarantee of loans; and the review of proposed financing
18 assistance to an eligible entity, whether or not the
19 financing assistance is provided;

20 (11) employ architects, engineers,
21 accountants and attorneys; construction and financial
22 experts; and such other advisors, consultants and agents as
23 may be necessary in its judgment, and fix and pay their
24 compensation;

25 (12) to the extent allowed under its

1 contracts with the holders of bonds of the authority, consent
2 to modification of the rate of interest, time and payment of
3 installments of principal or interest, security or any other
4 term of financing assistance;

5 (13) consider the ability of the eligible
6 entity to secure financing for a project from other sources
7 and the costs of that financing;

8 (14) acquire fee simple, leasehold,
9 mortgagor's or mortgagee's interests in real or personal
10 property and sell, mortgage, convey, lease or assign that
11 property for authority purposes; and

12 (15) in the event of default by an eligible
13 entity, enforce its rights by suit, mandamus and all other
14 remedies available under law.

15 E. The authority shall adopt rules subject to
16 approval of the New Mexico finance authority oversight
17 committee to:

18 (1) establish procedures for applying for
19 financing assistance;

20 (2) establish credit qualifications for
21 eligible entities and establish terms and conditions for
22 financing assistance;

23 (3) establish economic development goals for
24 projects in consultation with the department;

25 (4) establish methods for determining

1 quantifiable benefits;

2 (5) provide safeguards to protect public
3 money and other public resources provided for a state
4 project;

5 (6) establish procedures by which the
6 authority requests approval by law for projects receiving
7 financing assistance with money in the fund; and

8 (7) establish fees to pay the costs of
9 evaluating, originating and administering financing
10 assistance.

11 F. The authority shall coordinate with the
12 department to provide staffing and other assistance to the
13 department in carrying out the department's responsibilities
14 and activities pursuant to the Statewide Economic Development
15 Finance Act.

16 G. The authority shall report to the New Mexico
17 finance authority oversight committee twice each year
18 regarding the total expenditures from the economic development
19 revolving fund for the previous fiscal year, the purposes for
20 which expenditures were made, an analysis of the progress of
21 the projects funded and proposals for legislative action."_____