



Tobacco Settlement Revenue Oversight Committee

Cigarette Tax Revenue Distributions and
Bonding

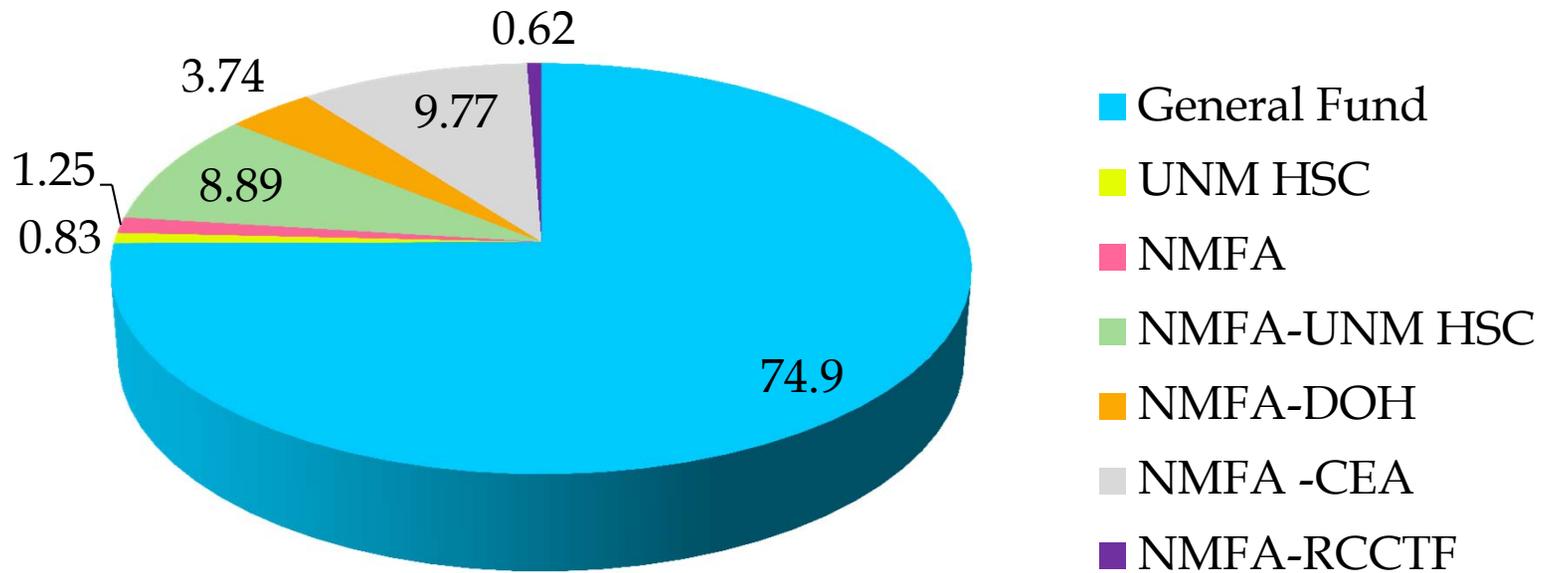
November 2, 2015

Current Cigarette Tax Revenue Distributions

- House Bill 3 of the 2010 2nd Special Session established the following distributions of cigarette tax revenue:

UNM HSC Cancer Research & Treatment Center	0.83%
NMFA	1.25%
NMFA/HSC	8.89%
NMFA/DOH	3.74%
NMFA/CEA (General Fund)	9.77%
NMFA/Rural County Cancer Treatment	0.62%
General Fund	74.9%

Current Cigarette Tax Revenue Distributions





University of New Mexico- Health Sciences Center Bonds

- UNM HSC cig tax revenue bonds were authorized in the 2003 Regular Session (SB 804) in the amount of \$60,000,000 and in the 2005 Regular Session (SB 935) for an additional \$15,000,000 for the improvement of HSC facilities.

- NMFA issued the following bonds on behalf of UNM HSC in accordance to the authorization:
 - Series 2004A Stand-Alone Bonds- \$39,035,000, matures 2019.
 - Series 2004B Stand-Alone Bonds- \$10,000,000, defeased.
 - Series 2005E Sub Lien PPRF Bonds- \$23,630,000, matures 2025.

- Bonds are secured by the 8.89% UNM HSC cig tax revenue distribution and the 9.77% Credit Enhancement Account distribution. Excess cig tax revenues after debt service is paid flow through to UNM HSC and the General Fund respectively.



University of New Mexico- Health Sciences Center Bonds

- UNM HSC and NMFA are currently collaborating on refunding the 2004A and 2005E bonds to take advantage of the current interest rate environment and achieve savings.
- Savings achieved from the refunding will directly benefit the operations of UNM HSC through increased flow through of the 8.89% UNM HSC cig tax revenue distribution.
- Based on current market conditions, savings achieved as a result of the refunding are estimated at \$450k to \$550k annually.

NMFA-UNM Distribution Revenue

Revenue Analysis- Actuals

UNM 8.89% Cig Tax Distribution

	Year Ended June 30				Change		
	2015	2014	2013	2012	2015 vs. 2014	2014 vs. 2013	2013 vs. 2012
July	\$ 776,903	\$ 633,273	\$ 644,379	\$ 780,140	22.68%	-1.72%	-17.40%
August	\$ 673,113	\$ 584,448	\$ 657,245	\$ 779,665	15.17%	-11.08%	-15.70%
September	\$ 654,483	\$ 860,121	\$ 776,866	\$ 747,444	-23.91%	10.72%	3.94%
October	\$ 610,931	\$ 451,013	\$ 650,911	\$ 718,320	35.46%	-30.71%	-9.38%
November	\$ 704,381	\$ 651,067	\$ 679,231	\$ 621,496	8.19%	-4.15%	9.29%
December	\$ 664,929	\$ 642,358	\$ 729,396	\$ 637,955	3.51%	-11.93%	14.33%
January	\$ 734,156	\$ 583,065	\$ 779,503	\$ 638,096	25.91%	-25.20%	22.16%
February	\$ 397,288	\$ 632,870	\$ 380,090	\$ 644,471	-37.22%	66.51%	-41.02%
March	\$ 759,570	\$ 631,733	\$ 691,381	\$ 708,964	20.24%	-8.63%	-2.48%
April	\$ 629,097	\$ 588,723	\$ 627,113	\$ 678,160	6.86%	-6.12%	-7.53%
May	\$ 576,888	\$ 650,901	\$ 514,941	\$ 624,149	-11.37%	26.40%	-17.50%
June	\$ 717,565	\$ 549,558	\$ 1,052,300	\$ 736,506	30.57%	-47.78%	42.88%
Total Gross Revenue	\$ 7,899,305	\$ 7,459,129	\$ 8,183,356	\$ 8,315,366	5.90%	-8.85%	-1.59%

NMFA-CEA Distribution Revenue

Revenue Analysis- Actuals

Credit Enhancement 9.77% Distribution

	<i>Year Ended June 30</i>				<i>Change</i>		
	2015	2014	2013	2012	2015 vs. 2014	2014 vs. 2013	2013 vs. 2012
July	\$ 853,807	\$ 695,959	\$ 708,164	\$ 857,365	22.68%	-1.72%	-17.40%
August	\$ 739,743	\$ 642,301	\$ 722,304	\$ 856,842	15.17%	-11.08%	-15.70%
September	\$ 719,268	\$ 945,262	\$ 853,766	\$ 821,432	-23.91%	10.72%	3.94%
October	\$ 671,406	\$ 495,658	\$ 715,344	\$ 789,425	35.46%	-30.71%	-9.38%
November	\$ 774,106	\$ 715,515	\$ 746,467	\$ 683,017	8.19%	-4.15%	9.29%
December	\$ 730,749	\$ 705,943	\$ 801,597	\$ 701,105	3.51%	-11.93%	14.33%
January	\$ 806,828	\$ 640,781	\$ 856,665	\$ 701,259	25.91%	-25.20%	22.16%
February	\$ 436,614	\$ 695,516	\$ 417,714	\$ 708,266	-37.22%	66.51%	-41.02%
March	\$ 834,758	\$ 694,266	\$ 759,819	\$ 779,142	20.24%	-8.63%	-2.48%
April	\$ 691,370	\$ 647,000	\$ 689,190	\$ 745,290	6.86%	-6.12%	-7.53%
May	\$ 633,993	\$ 715,332	\$ 565,913	\$ 685,932	-11.37%	26.40%	-17.50%
June	\$ 788,596	\$ 603,957	\$ 1,156,465	\$ 809,411	30.57%	-47.78%	42.88%
Total Gross Revenue	\$ 8,681,238	\$ 8,197,491	\$ 8,993,407	\$ 9,138,485	5.90%	-8.85%	-1.59%



Department of Health

- The 2003 legislature authorized the issuance of \$39,000,000 cig tax revenue bonds to improve Department of Health Facilities in the following amounts:

- 1) \$12,300,000 for the Southern NM Rehabilitation Center;
- 2) \$11,000,000 for the Las Vegas Medical Center;
- 3) \$13,700,000 for the State Laboratory Facility;
- 4) \$1,000,000 for the Sequoyah Medical Center; and
- 5) \$1,000,000 for the Alzheimer's Unit*.

**NMFA has only issued \$510,000 for the Alzheimer's Unit. All other projects have been issued to their full authorization.*

- Bonds are secured by the 3.74% DOH cig tax revenue distribution. Excess cig tax revenues after debt service is paid are retained in the bond fund for advanced debt retirement or for additional capital appropriation as authorized by the legislature.

Department of Health Distribution Revenue

Revenue Analysis- Actuals

DOH 3.74% Cig Tax Distribution

	<i>Year Ended June 30</i>				<i>Change</i>		
	2015	2014	2013	2012	2015 vs. 2014	2014 vs. 2013	2013 vs. 2012
July	\$ 326,841	\$ 266,416	\$ 271,088	\$ 328,203	22.68%	-1.72%	-17.40%
August	\$ 283,177	\$ 245,876	\$ 276,501	\$ 328,003	15.17%	-11.08%	-15.70%
September	\$ 275,339	\$ 361,851	\$ 326,825	\$ 314,448	-23.91%	10.72%	3.94%
October	\$ 257,017	\$ 189,740	\$ 273,837	\$ 302,195	35.46%	-30.71%	-9.38%
November	\$ 296,331	\$ 273,902	\$ 285,751	\$ 261,462	8.19%	-4.15%	9.29%
December	\$ 279,734	\$ 270,238	\$ 306,855	\$ 268,386	3.51%	-11.93%	14.33%
January	\$ 308,857	\$ 245,294	\$ 327,935	\$ 268,445	25.91%	-25.20%	22.16%
February	\$ 167,138	\$ 266,247	\$ 159,903	\$ 271,127	-37.22%	66.51%	-41.02%
March	\$ 319,549	\$ 265,768	\$ 290,862	\$ 298,259	20.24%	-8.63%	-2.48%
April	\$ 264,660	\$ 247,674	\$ 263,825	\$ 285,300	6.86%	-6.12%	-7.53%
May	\$ 242,695	\$ 273,832	\$ 216,634	\$ 262,578	-11.37%	26.40%	-17.50%
June	\$ 301,878	\$ 231,198	\$ 442,700	\$ 309,846	30.57%	-47.78%	42.88%
Total Gross Revenue	\$ 3,323,217	\$ 3,138,036	\$ 3,442,716	\$ 3,498,253	5.90%	-8.85%	-1.59%



Rural County Cancer Treatment Fund

- The Legislature authorized over various legislation the issuance of the following cig tax revenue bond issuances to improve cancer treatment in rural 'Class B' counties:

- 1) \$3,000,000 for the Gila Regional Medical Center (2007, SB 640)
- 2) \$1,500,000 for the Nor-Lea Hospital District (2008, SB 161)
- 3) \$2,250,000 for the Gila Regional Medical Center (2013, HB 580)
- 4) \$750,000 for the Nor-Lea Hospital District (2013, HB 580)*

**Due to capacity of the cig tax revenue distribution, \$250,000 still remains unissued. NMFA anticipates cash funding this remaining authorized amount when capacity is gained, expected early-to-mid 2016.*

- Bonds are secured by the 0.62% Rural County Cancer Treatment cig tax revenue distribution. Excess cig tax revenues after debt service is paid are retained in the bond fund for advanced debt retirement or for additional capital appropriation as authorized by the legislature.

Rural County Cancer Treatment Distribution Revenue

<i>Revenue Analysis- Actuals</i>								
Rural County Cancer Treatment 0.62% Distribution								
	<i>Year Ended June 30</i>				<i>Change</i>			
	2015	2014	2013	2012	2015 vs. 2014	2014 vs. 2013	2013 vs. 2012	
July	\$ 54,182	\$ 44,165	\$ 44,940	\$ 54,408	22.68%	-1.72%	-17.40%	
August	\$ 46,944	\$ 40,760	\$ 45,837	\$ 54,375	15.17%	-11.08%	-15.70%	
September	\$ 45,644	\$ 59,986	\$ 54,180	\$ 52,128	-23.91%	10.72%	3.94%	
October	\$ 42,607	\$ 31,454	\$ 45,395	\$ 50,097	35.46%	-30.71%	-9.38%	
November	\$ 49,124	\$ 45,406	\$ 47,370	\$ 43,344	8.19%	-4.15%	9.29%	
December	\$ 46,373	\$ 44,799	\$ 50,869	\$ 44,492	3.51%	-11.93%	14.33%	
January	\$ 51,201	\$ 40,664	\$ 54,364	\$ 44,502	25.91%	-25.20%	22.16%	
February	\$ 27,707	\$ 44,137	\$ 26,508	\$ 44,946	-37.22%	66.51%	-41.02%	
March	\$ 52,973	\$ 44,058	\$ 48,218	\$ 49,444	20.24%	-8.63%	-2.48%	
April	\$ 43,874	\$ 41,058	\$ 43,736	\$ 47,296	6.86%	-6.12%	-7.53%	
May	\$ 40,233	\$ 45,395	\$ 35,913	\$ 43,529	-11.37%	26.40%	-17.50%	
June	\$ 50,044	\$ 38,327	\$ 73,389	\$ 51,365	30.57%	-47.78%	42.88%	
Total Gross Revenue	\$ 550,908	\$ 520,209	\$ 570,718	\$ 579,925	5.90%	-8.85%	-1.59%	



Series 2006 Behavioral Health Cig Tax Bonds

- Senate Bill 52 of the 2005 Regular Session authorized the issuance of \$2.5 million in cig tax bonds to fund behavioral health projects.
- Proceeds from the bonds were used to capitalize the Behavioral Health Capital Fund. NMFA partners with the Human Services Department in the administration of the program.
- The Behavioral Health Capital Fund was created to finance the capital needs of small, non-profit behavioral health providers in rural and underserved areas of the state.
- The Series 2006 Behavioral Health Cig Tax Bonds are repaid through the 1.25% NMFA cig tax revenue distribution.



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