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HOUSE BILL 67

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY  
James G. Taylor

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

AN ACT

RELATING TO FINANCE; ALLOWING THE NEW MEXICO FINANCE  
AUTHORITY TO PAY ORIGINATING AND SERVICING COSTS FROM THE  
PUBLIC PROJECT REVOLVING FUND; EXTENDING THE TIME LIMIT FOR  
TEMPORARY LOANS FOR EQUIPMENT FINANCING; 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) 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 ~~[is authorized to]~~ may

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underscored material = new  
~~[bracketed material]~~ = delete

underscored material = new  
~~[bracketed material] = delete~~

1 establish procedures and adopt [~~regulations~~] rules as  
2 required to administer the fund in accordance with the New  
3 Mexico Finance Authority Act.

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

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

23 D. Except as otherwise provided in the New Mexico  
24 Finance Authority Act, money in the public project revolving  
25 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

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1 to purchase or sell securities to assist qualified entities  
2 in financing public projects in accordance with the New  
3 Mexico Finance Authority Act and pursuant to specific  
4 authorization by law for each project.

5 E. Money in the public project revolving fund not  
6 needed for immediate disbursement, including ~~[any funds]~~  
7 money held in reserve, may be deposited with the state  
8 treasurer for short-term investment pursuant to Section  
9 6-10-10.1 NMSA 1978 or may be invested in direct and general  
10 obligations of or obligations fully and unconditionally  
11 guaranteed by the United States, obligations issued by  
12 agencies of the United States, obligations of this state or  
13 any political subdivision of the state, interest-bearing time  
14 deposits, commercial paper issued by corporations organized  
15 and operating in the United States and rated "prime" quality  
16 by a national rating service, other investments permitted by  
17 Section 6-10-10 NMSA 1978 or as otherwise provided by the  
18 trust indenture or bond resolution, if ~~[funds are]~~ money is  
19 pledged for or ~~[secure]~~ secures payment of bonds issued by  
20 the authority.

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

25 G. Money on deposit in the public project  
revolving fund may be used to make interim loans for a term  
not exceeding one year to qualified entities for the purpose

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1 of providing interim financing for any project approved or  
2 funded by the legislature.

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

- 8 (1) the acquisition of equipment for:
  - 9 (a) fire protection;
  - 10 (b) law enforcement and protection;
  - 11 (c) computer and data processing;
  - 12 (d) street and road construction and  
13 maintenance;
  - 14 (e) emergency medical services;
  - 15 (f) solid waste collection, transfer  
16 and disposal;
  - 17 (g) radio and telecommunications; and
  - 18 (h) utility system purposes; and

19 (2) ~~[to finance]~~ the acquisition,  
20 construction and improvement of fire stations.

21 I. The amount of securities acquired from or the  
22 loan made to a qualified entity at any one time pursuant to  
23 ~~[this]~~ Subsection H of this section shall not exceed five  
24 hundred thousand dollars (\$500,000). The authority shall  
25 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

underscoring material = new  
~~[bracketed material] = delete~~

1 making of loans or issue bonds within [~~one year~~] two years of  
2 the date the securities are acquired or within [~~one year~~] two  
3 years of the date on which the loans are made and use the  
4 bond proceeds to reimburse the public project revolving fund  
5 for the amounts [~~temporarily~~] used to acquire securities or  
6 to make loans. [~~The temporarily funded~~] Projects funded  
7 under the equipment program are not required to obtain prior  
8 specific authorization by law required of other projects  
9 [~~permanently~~] funded from the public project revolving fund,  
10 as provided in this section and Section 6-21-8 NMSA 1978.

11 [~~F.~~] J. Money on deposit in the public project  
12 revolving fund may be designated as a reserve [~~funds~~] for any  
13 bonds issued by the authority, including bonds payable from  
14 sources other than the public project revolving fund, and the  
15 authority may covenant in any bond resolution or trust  
16 indenture to maintain and replenish the reserve [~~funds~~] from  
17 money deposited in the public project revolving fund after  
18 issuance of bonds by the authority."

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