

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 17
45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002
INTRODUCED BY
Robert M Burpo

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

AN ACT
RELATING TO FINANCE; AMENDING THE NEW MEXICO FINANCE AUTHORITY
ACT TO ALLOW THE PUBLIC PROJECT REVOLVING FUND TO BE USED TO
PURCHASE BONDS ISSUED BY THE NEW MEXICO FINANCE AUTHORITY;
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 by Laws 2000, Chapter 80, Section 3 and also by Laws 2000, Chapter 93, Section 1) 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

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 subaccounts as the authority deems necessary to carry out the
2 purposes of the fund. The authority may establish procedures
3 and adopt rules as required to administer the fund in
4 accordance with the New Mexico Finance Authority Act.

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

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

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

underscored material = new
[bracketed material] = delete

1 fund is appropriated to the authority to pay the reasonably
2 necessary costs of originating and servicing loans, grants or
3 securities funded by the fund and to make loans or grants and
4 to purchase or sell securities to assist qualified entities in
5 financing public projects in accordance with the New Mexico
6 Finance Authority Act and pursuant to specific authorization
7 by law for each project.

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

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

. 139737. 1

underscored material = new
[bracketed material] = delete

1 disbursements and balances.

2 G. Money on deposit in the public project
3 revolving fund may be used to make interim loans for a term
4 not exceeding two years to qualified entities for the purpose
5 of providing interim financing for any project approved or
6 funded by the legislature.

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

- 12 (1) the acquisition of equipment for:
- 13 (a) fire protection;
 - 14 (b) law enforcement and protection;
 - 15 (c) computer and data processing;
 - 16 (d) street and road construction and
17 maintenance;
 - 18 (e) emergency medical services;
 - 19 (f) solid waste collection, transfer
20 and disposal;
 - 21 (g) radio and telecommunications; and
 - 22 (h) utility system purposes; and
- 23 (2) the acquisition, construction and
24 improvement of fire stations.

25 I. The amount of securities acquired from or the

. 139737. 1

underscored material = new
[bracketed material] = delete

1 loan made to a qualified entity at any one time pursuant to
2 Subsection H of this section shall not exceed five hundred
3 thousand dollars (\$500,000). The authority shall either
4 obtain specific authorization by law for the projects funded
5 through the equipment program at a legislative session
6 subsequent to the acquisitions of the securities or the making
7 of loans or issue bonds within two years of the date the
8 securities are acquired or within two years of the date on
9 which the loans are made and use the bond proceeds to
10 reimburse the public project revolving fund for the amounts
11 temporarily used to acquire securities or to make loans. The
12 temporarily funded projects under the equipment program are
13 not required to obtain specific authorization by law required
14 of projects permanently funded from the public project
15 revolving fund, as provided in this section and Section 6-21-8
16 NMSA 1978.

17 J. Money on deposit in the public project
18 revolving fund may be designated as a reserve for any bonds
19 issued by the authority, including bonds payable from sources
20 other than the public project revolving fund, and the
21 authority may covenant in any bond resolution or trust
22 indenture to maintain and replenish the reserve from money
23 deposited in the public project revolving fund after issuance
24 of bonds by the authority.

25 K. Money on deposit in the public project

. 139737. 1

underscored material = new
[bracketed material] = delete

1 revolving fund may be used to purchase bonds issued by the
2 authority, which are payable from any designated source of
3 revenues or collateral. Purchasing and holding such bonds in
4 the public project revolving fund shall not, as a matter of
5 law, result in cancellation or merger of such bonds
6 notwithstanding the fact that the authority as the issuer of
7 such bonds is obligated to make the required debt service
8 payments and the public project revolving fund held by the
9 authority is entitled to receive the required debt service
10 payments. "

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