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

C. The authority may issue and sell revenue bonds  
in compliance with the New Mexico Finance Authority Act in an  
amount not to exceed five million dollars (\$5,000,000) for  
acquiring land for and planning, designing, constructing and  
equipping department of health facilities or improvements to  
those facilities, upon certification from the secretary of  
health that such projects are needed. The costs associated

1 with issuing the bonds shall be paid from the net proceeds  
2 from the sale of the bonds, and the remainder is appropriated  
3 to the facilities management division of the general services  
4 department for the projects certified pursuant to this  
5 subsection.

6 D. The cigarette tax proceeds distributed to the  
7 authority pursuant to Subsection C of Section 7-1-6.11 NMSA  
8 1978:

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

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

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18 cigarette tax shall not be amended, repealed or otherwise  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

24 F. The authority may secure the revenue bonds  
25 issued pursuant to this section by a pledge of money in the

1 public project revolving fund with a lien priority on the  
2 money in the public project revolving fund as determined by  
3 the authority."

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

6 "7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES.--

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

13 B. A distribution pursuant to Section 7-1-6.1 NMSA  
14 1978 in an amount equal to eight and eighty-nine hundredths  
15 percent of the net receipts, exclusive of penalties and  
16 interest, attributable to the cigarette tax, shall be made,  
17 on behalf of and for the benefit of the university of New  
18 Mexico health sciences center, to the New Mexico finance  
19 authority.

20 C. A distribution pursuant to Section 7-1-6.1 NMSA  
21 1978 in an amount equal to three and seventy-four hundredths  
22 percent of the net receipts, exclusive of penalties and  
23 interest, attributable to the cigarette tax shall be made to  
24 the New Mexico finance authority for land acquisition and the  
25 planning, designing, construction and equipping of department

1 of health facilities or improvements to such facilities.

2 D. A distribution pursuant to Section 7-1-6.1 NMSA  
3 1978 in an amount equal to nine and seventy-seven hundredths  
4 percent of the net receipts, exclusive of penalties and  
5 interest, attributable to the cigarette tax shall be made to  
6 the New Mexico finance authority for deposit in the credit  
7 enhancement account created in the authority.

8 E. A distribution pursuant to Section 7-1-6.1 NMSA  
9 1978 in an amount equal to sixty-two hundredths percent of  
10 the net receipts, exclusive of penalties and interest,  
11 attributable to the cigarette tax shall be made, on behalf of  
12 and for the benefit of the rural county cancer treatment  
13 fund, to the New Mexico finance authority."

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

16 A. November 1, 2017; or

17 B. the first day of the month following the day  
18 the chief executive officer of the New Mexico finance  
19 authority certifies to the secretary of taxation and revenue,  
20 the secretary of finance and administration, the legislative  
21 council service and the New Mexico compilation commission that  
22 the bonds issued pursuant to Section 6-21-6.10 NMSA 1978 have  
23 been discharged in full and the distribution pursuant to  
24 Subsection D of Section 7-1-6.11 NMSA 1978 is no longer needed  
25 to pay debt service, as that subsection was in effect prior to

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the effective date of this act. \_\_\_\_\_