

SENATE BILL 223

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO TAXATION; AMENDING CERTAIN DISTRIBUTIONS OF CIGARETTE TAX REVENUE; AUTHORIZING THE ISSUANCE OF REVENUE BONDS; MAKING APPROPRIATIONS AUTHORIZING THE NEW MEXICO FINANCE AUTHORITY TO ISSUE CERTAIN ADDITIONAL REVENUE BONDS FOR THE UNIVERSITY OF NEW MEXICO HOSPITAL AND THE COMPREHENSIVE CANCER CENTER AT THE UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER; CORRECTING INCORRECT REFERENCES TO CERTAIN LAWS CAUSED BY THE PARTIAL VETO OF LAWS 2010 (2ND S.S.), CHAPTER 5, SECTION 1;

.218712.3AIC March 18, 2021 (9:06am)

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MAKING APPROPRIATIONS.

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

SECTION 1. Section 6-21-6.7 NMSA 1978 (being Laws 2003, Chapter 341, Section 5, as amended) is amended to read:

"6-21-6.7. CREDIT ENHANCEMENT ACCOUNT CREATED--USE OF ACCOUNT--RELEASE OF MONEY TO THE GENERAL FUND.--

A. The "credit enhancement account" is created as a separate account within the authority for use only as provided in this section.

B. All cigarette tax proceeds distributed each month to the authority pursuant to Subsection [E] D of Section 7-1-6.11 NMSA 1978 shall be deposited in the credit enhancement account.

C. Amounts deposited in the credit enhancement account may be pledged irrevocably as additional security for the payment of the principal, interest, premiums and expenses on bonds issued by the authority for:

(1) designing, constructing, equipping and furnishing additions and improvements to the university of New Mexico hospital and the comprehensive cancer center at the university of New Mexico health sciences center; and

(2) land acquisition and the planning, designing, construction and equipping of department of health facilities or improvements to such facilities.

D. The authority shall determine monthly upon

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receipt of cigarette tax proceeds if the individual amounts of cigarette tax proceeds distributed pursuant to Subsection B or C [~~or Subsection D~~], respectively, of Section 7-1-6.11 NMSA 1978 are sufficient to meet the monthly amount required for immediate payment or designation for payment of principal, interest, premiums and expenses on bonds additionally secured by the credit enhancement account. Any insufficient amount shall be paid immediately from the credit enhancement account. A payment from the credit enhancement account shall be reimbursed in succeeding months from the individual amount of cigarette tax proceeds distributed pursuant to Subsection B or C [~~or Subsection D~~], as applicable, of Section 7-1-6.11 NMSA 1978 in excess of the amount required for immediate payment or designation for payment of principal, interest, premiums and expenses on bonds. All money in the credit enhancement account in excess of the monthly amount required for immediate payment or designation for payment of principal, interest, premiums and expenses on bonds shall be transferred monthly by the authority to the general fund.

~~[E. Upon payment of all principal, interest, premiums and expenses on bonds additionally secured by a pledge of amounts deposited in the credit enhancement account, the authority shall certify to the secretary of taxation and revenue that all obligations for bonds have been fully discharged and shall direct the secretary of taxation and~~

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~~revenue and the state treasurer to cease distributing cigarette tax proceeds to the authority pursuant to Subsection E of Section 7-1-6.11 NMSA 1978 and to distribute those cigarette tax proceeds to the general fund.~~

F.] E. Any law authorizing the imposition, collection or distribution of the cigarette tax or that affects the cigarette tax shall not be amended, repealed or otherwise directly or indirectly modified so as to impair or reduce debt service coverage for any outstanding revenue bonds that may be secured by a pledge of those cigarette tax proceeds distributed to the credit enhancement account, unless the revenue bonds have been discharged in full or provisions have been made for a full discharge."

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

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

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the board of regents of the university of New Mexico for the benefit of the comprehensive cancer center at the university of New Mexico health sciences center in an amount equal to seventy-one hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.

B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to seven and fifty-two hundredths

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percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax, shall be made
HAFC→;

~~(1) until payment of all principal, interest and other expenses or obligations related to the bonds authorized pursuant to Section 3 of this 2021 act and the New Mexico finance authority certifies to the secretary of taxation and revenue that all obligations for the bonds have been fully discharged, to the credit enhancement account,~~←HAFC on behalf of and for the benefit of the university of New Mexico health sciences center [to the New Mexico finance authority] for its comprehensive cancer center HAFC→; ~~and~~

~~(2) after the certification described in Paragraph (1) of this subsection has been made, to the board of regents of the university of New Mexico for the benefit of the comprehensive cancer center at the university of New Mexico health sciences center.~~←HAFC HAFC→, until payment of all principal, interest and other expenses or obligations related to the bonds authorized pursuant to Section 3 of this 2021 act and the New Mexico finance authority certifies to the secretary of taxation and revenue that all obligations for the bonds have been fully discharged, to the credit enhancement account.←HAFC

C. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to three and seventeen hundredths percent of the net receipts, exclusive of penalties and

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interest, attributable to the cigarette tax shall be made to the New Mexico finance authority for land acquisition and the planning, designing, construction and equipping of department of health facilities or improvements to such facilities.

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

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

SECTION 3. Laws 2003, Chapter 341, Section 3, as amended by Laws 2005, Chapter 319, Section 1, is compiled in Chapter 6, Article 21 NMSA 1978 and is amended to read:

"~~[Section 2.]~~ NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--~~[PURPOSE--APPROPRIATION]~~ AUTHORIZED--UNIVERSITY OF NEW MEXICO HOSPITAL AND UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER.--

A. The New Mexico finance authority may issue and sell revenue bonds in compliance with the New Mexico Finance

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Authority Act for a term not exceeding twenty years in an amount not exceeding [~~sixty million dollars (\$60,000,000)~~] eighty-two million dollars (\$82,000,000) for the purpose of designing, constructing, equipping and furnishing additions and improvements to the university of New Mexico hospital and the comprehensive cancer [~~research and treatment~~] center at the university of New Mexico health sciences center.

B. The New Mexico finance authority may issue and sell additional revenue bonds in compliance with the New Mexico Finance Authority Act for a term not exceeding twenty years in an amount not exceeding fifteen million dollars (\$15,000,000) for the purpose of supplementing the proceeds of the bonds issued pursuant to Subsection A of this section to design, construct, equip and furnish additions and improvements to the university of New Mexico hospital and the comprehensive cancer [~~research and treatment~~] center at the university of New Mexico health sciences center.

C. The New Mexico finance authority may issue and sell revenue bonds authorized by this section when the vice president for health sciences of the university of New Mexico certifies the need for issuance of the bonds. The net proceeds from the sale of the bonds are appropriated to the health sciences center of the university of New Mexico for the purposes described in Subsections A and B of this section.

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D. The cigarette tax proceeds distributed to the New Mexico finance authority pursuant to HAF C → ~~Paragraph (1)~~ of ← HAF C Subsection [E] B of Section 7-1-6.11 NMSA 1978 shall be pledged irrevocably for the payment of the principal, interest, premiums and related expenses on the bonds and for payment of the expenses incurred by the authority related to the issuance, sale and administration of the bonds.

E. The cigarette tax proceeds distributed to the New Mexico finance authority pursuant to HAF C → ~~Paragraph (1)~~ of ← HAF C Subsection [E] B of Section 7-1-6.11 NMSA 1978 shall be deposited each month in a separate fund or account of the authority. Money in the separate fund or account in excess of the monthly amount necessary for immediate payment or designation for payment of principal and interest due on the bonds is appropriated to the university of New Mexico health sciences center for the programs and operations of its comprehensive cancer center and shall be transferred each month to the university of New Mexico health sciences center for the comprehensive cancer center.

F. Upon payment of all principal, interest and other expenses or obligations related to the bonds, the New Mexico finance authority shall certify to the secretary of taxation and revenue that all obligations for the bonds issued pursuant to this section have been fully discharged and shall direct the secretary of taxation and revenue and the state

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treasurer to cease distributing cigarette tax proceeds to the authority pursuant to HAFCA ~~Paragraph (1) of~~ HAFCA Subsection [E] B of Section 7-1-6.11 NMSA 1978 HAFCA ~~and to distribute those cigarette tax proceeds [to the general fund] pursuant to Paragraph (2) of Subsection B of Section 7-1-6.11 NMSA 1978.~~ HAFCA HAFCA.

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

H. The New Mexico finance authority may additionally secure the revenue bonds issued pursuant to this section by a pledge of money in the public project revolving fund with a lien priority on the money in the public project revolving fund as determined by the authority.

I. The New Mexico finance authority may purchase revenue bonds issued pursuant to this section with money in the public project revolving fund pursuant to the provisions of Section 6-21-6 NMSA 1978."