

1 SENATE BILL 223

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO TAXATION; AMENDING CERTAIN DISTRIBUTIONS OF
12 CIGARETTE TAX REVENUE; AUTHORIZING THE ISSUANCE OF REVENUE
13 BONDS; MAKING APPROPRIATIONS AUTHORIZING THE NEW MEXICO FINANCE
14 AUTHORITY TO ISSUE CERTAIN ADDITIONAL REVENUE BONDS FOR THE
15 UNIVERSITY OF NEW MEXICO HOSPITAL AND THE COMPREHENSIVE CANCER
16 CENTER AT THE UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER;
17 CORRECTING INCORRECT REFERENCES TO CERTAIN LAWS CAUSED BY THE
18 PARTIAL VETO OF LAWS 2010 (2ND S.S.), CHAPTER 5, SECTION 1;
19 MAKING APPROPRIATIONS.
20

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

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

24 "6-21-6.7. CREDIT ENHANCEMENT ACCOUNT CREATED--USE OF
25 ACCOUNT--RELEASE OF MONEY TO THE GENERAL FUND.--

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

4 B. All cigarette tax proceeds distributed each
5 month to the authority pursuant to Subsection ~~[E]~~ D of Section
6 7-1-6.11 NMSA 1978 shall be deposited in the credit enhancement
7 account.

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

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

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

19 D. The authority shall determine monthly upon
20 receipt of cigarette tax proceeds if the individual amounts of
21 cigarette tax proceeds distributed pursuant to Subsection B or
22 C ~~[or Subsection D]~~, respectively, of Section 7-1-6.11 NMSA
23 1978 are sufficient to meet the monthly amount required for
24 immediate payment or designation for payment of principal,
25 interest, premiums and expenses on bonds additionally secured

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1 by the credit enhancement account. Any insufficient amount
2 shall be paid immediately from the credit enhancement account.
3 A payment from the credit enhancement account shall be
4 reimbursed in succeeding months from the individual amount of
5 cigarette tax proceeds distributed pursuant to Subsection B or
6 C [~~or Subsection D~~], as applicable, of Section 7-1-6.11 NMSA
7 1978 in excess of the amount required for immediate payment or
8 designation for payment of principal, interest, premiums and
9 expenses on bonds. All money in the credit enhancement account
10 in excess of the monthly amount required for immediate payment
11 or designation for payment of principal, interest, premiums and
12 expenses on bonds shall be transferred monthly by the authority
13 to the general fund.

14 ~~[E. Upon payment of all principal, interest,~~
15 ~~premiums and expenses on bonds additionally secured by a pledge~~
16 ~~of amounts deposited in the credit enhancement account, the~~
17 ~~authority shall certify to the secretary of taxation and~~
18 ~~revenue that all obligations for bonds have been fully~~
19 ~~discharged and shall direct the secretary of taxation and~~
20 ~~revenue and the state treasurer to cease distributing cigarette~~
21 ~~tax proceeds to the authority pursuant to Subsection E of~~
22 ~~Section 7-1-6.11 NMSA 1978 and to distribute those cigarette~~
23 ~~tax proceeds to the general fund.~~

24 ~~F.]~~ E. Any law authorizing the imposition,
25 collection or distribution of the cigarette tax or that affects

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1 the cigarette tax shall not be amended, repealed or otherwise
2 directly or indirectly modified so as to impair or reduce debt
3 service coverage for any outstanding revenue bonds that may be
4 secured by a pledge of those cigarette tax proceeds distributed
5 to the credit enhancement account, unless the revenue bonds
6 have been discharged in full or provisions have been made for a
7 full discharge."

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

10 "7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES.--

11 A. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the board of regents of the university of
13 New Mexico for the benefit of the comprehensive cancer center
14 at the university of New Mexico health sciences center in an
15 amount equal to seventy-one hundredths percent of the net
16 receipts, exclusive of penalties and interest, attributable to
17 the cigarette tax.

18 B. A distribution pursuant to Section 7-1-6.1 NMSA
19 1978 in an amount equal to seven and fifty-two hundredths
20 percent of the net receipts, exclusive of penalties and
21 interest, attributable to the cigarette tax, shall be made:

22 (1) until payment of all principal, interest
23 and other expenses or obligations related to the bonds
24 authorized pursuant to Section 3 of this 2021 act and the New
25 Mexico finance authority certifies to the secretary of taxation

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1 and revenue that all obligations for the bonds have been fully
2 discharged, to the credit enhancement account, on behalf of and
3 for the benefit of the university of New Mexico health sciences
4 center [~~to the New Mexico finance authority~~] for its
5 comprehensive cancer center; and

6 (2) after the certification described in
7 Paragraph (1) of this subsection has been made, to the board of
8 regents of the university of New Mexico for the benefit of the
9 comprehensive cancer center at the university of New Mexico
10 health sciences center.

11 C. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 in an amount equal to three and seventeen hundredths
13 percent of the net receipts, exclusive of penalties and
14 interest, attributable to the cigarette tax shall be made to
15 the New Mexico finance authority for land acquisition and the
16 planning, designing, construction and equipping of department
17 of health facilities or improvements to such facilities.

18 D. A distribution pursuant to Section 7-1-6.1 NMSA
19 1978 in an amount equal to eight and twenty-six hundredths
20 percent of the net receipts, exclusive of penalties and
21 interest, attributable to the cigarette tax shall be made to
22 the New Mexico finance authority for deposit in the credit
23 enhancement account created in the authority.

24 E. A distribution pursuant to Section 7-1-6.1 NMSA
25 1978 in an amount equal to fifty-three hundredths percent of
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1 the net receipts, exclusive of penalties and interest,
2 attributable to the cigarette tax shall be made, on behalf of
3 and for the benefit of the rural county cancer treatment fund,
4 to the New Mexico finance authority."

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

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

12 A. The New Mexico finance authority may issue and
13 sell revenue bonds in compliance with the New Mexico Finance
14 Authority Act for a term not exceeding twenty years in an
15 amount not exceeding [~~sixty million dollars (\$60,000,000)~~]
16 eighty-two million dollars (\$82,000,000) for the purpose of
17 designing, constructing, equipping and furnishing additions and
18 improvements to the university of New Mexico hospital and the
19 comprehensive cancer [~~research and treatment~~] center at the
20 university of New Mexico health sciences center.

21 B. The New Mexico finance authority may issue and
22 sell additional revenue bonds in compliance with the New Mexico
23 Finance Authority Act for a term not exceeding twenty years in
24 an amount not exceeding fifteen million dollars (\$15,000,000)
25 for the purpose of supplementing the proceeds of the bonds

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1 issued pursuant to Subsection A of this section to design,
2 construct, equip and furnish additions and improvements to the
3 university of New Mexico hospital and the comprehensive cancer
4 [~~research and treatment~~] center at the university of New Mexico
5 health sciences center.

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

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

21 E. The cigarette tax proceeds distributed to the
22 New Mexico finance authority pursuant to Paragraph (1) of
23 Subsection [E] B of Section 7-1-6.11 NMSA 1978 shall be
24 deposited each month in a separate fund or account of the
25 authority. Money in the separate fund or account in excess of

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1 the monthly amount necessary for immediate payment or
2 designation for payment of principal and interest due on the
3 bonds is appropriated to the university of New Mexico health
4 sciences center for the programs and operations of its
5 comprehensive cancer center and shall be transferred each month
6 to the university of New Mexico health sciences center for the
7 comprehensive cancer center.

8 F. Upon payment of all principal, interest and
9 other expenses or obligations related to the bonds, the New
10 Mexico finance authority shall certify to the secretary of
11 taxation and revenue that all obligations for the bonds issued
12 pursuant to this section have been fully discharged and shall
13 direct the secretary of taxation and revenue and the state
14 treasurer to cease distributing cigarette tax proceeds to the
15 authority pursuant to Paragraph (1) of Subsection [E] B of
16 Section 7-1-6.11 NMSA 1978 and to distribute those cigarette
17 tax proceeds ~~[to the general fund]~~ pursuant to Paragraph (2) of
18 Subsection B of Section 7-1-6.11 NMSA 1978.

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

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1 been made for a full discharge.

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

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