



Memorandum

To: Members of the New Mexico Finance Authority Oversight Committee

From: Zach Dillenback, Chief Lending Officer

Date: October 9, 2018

Re: Summary of Legislative Proposals

State Fire Protection Fund Changes (HB 283 of 2018 Regular Session):

- Existing statutes governing State Fire Protection Funds prohibits a municipality or county fire district from having more than one fire station/substation loan outstanding at anytime. The statute is also not as clear as it could be on the expenditure of funds for land related to fire stations and substations.
- Proposed legislation strikes the language prohibiting more than one fire station or substation obligation at anytime, as well as include purchase of land for fire stations and substations as an eligible use.

County Correctional GRT Changes (HB 225 of 2018 Regular Session):

- Existing statutes governing County Correctional GRT requires mandatory redemption fund to be created and capture all revenues after debt service when tax is pledged for indebtedness.
- Proposed legislation changes “shall” to “may” to allow Counties to determine whether funding a redemption fund with excess revenues after debt service is necessary and beneficial.

County Emergency Communications Tax Changes (SB 205 of 2018 Regular Session):

- Existing statutes governing County and Countywide Area Emergency Communications and Emergency Medical and Behavioral Health Services Tax does not allow the tax to be used for building needs surrounding emergency communication/dispatch centers.
- Proposed legislation expands the uses of the tax to include communication, improving, remodeling or purchasing one or more buildings to use as an emergency communications call center as an eligible use, as well as change the name of the tax.

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Municipal Revenue and Refunding Bond Statute Changes (not previously introduced):

- The statute authorizing municipalities to issue refunding bonds (section 3-31-8 NMSA 1978) does not allow for there to be changes to the original bond issue's pledged revenue when issuing refunding bonds utilizing:
 - Gross Receipts Tax Bonds;
 - Utility Bonds;
 - Joint Utility Bonds; or
 - Gas Tax Bonds.

- Proposed legislation strikes the language that prohibits changing the original bond's pledged revenue when issuing refunding bonds.