

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

AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE CIGARETTE TAX;  
MODIFYING DISTRIBUTIONS OF CIGARETTE TAX REVENUE; AUTHORIZING THE  
ISSUANCE OF REVENUE BONDS; CREATING THE CREDIT ENHANCEMENT  
ACCOUNT TO FACILITATE THE ISSUANCE OF REVENUE BONDS; MAKING  
APPROPRIATIONS.

SF  
C/S  
B  
804  
,  
336  
,  
717  
&  
835  
Pag  
e 1

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

Section 1. 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 county and municipality recreational fund in an amount equal to one and  
thirty-six 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 shall be  
made to the county and municipal cigarette tax  
fund in an amount equal to two and seventy-two hundredths percent of the net  
receipts, exclusive of penalties and interest, attributable to the cigarette tax.

C. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
made to the cancer research and treatment center at the university of New Mexico  
health sciences center in an amount equal to one and thirty-six hundredths percent of  
the net receipts, exclusive of penalties and interest, attributable to the cigarette tax.

D. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be  
made to the New Mexico finance authority in an amount equal to two and four-  
hundredths percent of the net receipts, exclusive of penalties and interest, attributable  
to the cigarette tax.

E. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount  
equal to fourteen and fifty-two hundredths percent of the net receipts, exclusive of

1 penalties and interest, attributable to the cigarette tax, shall be made, on behalf of and  
2 for the benefit of the university of New Mexico health sciences center, to the New  
3 Mexico finance authority.

4 F. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount  
5 equal to six and eleven-hundredths percent of the net receipts, exclusive of penalties  
6 and interest, attributable to the cigarette tax shall be made to the New Mexico finance  
7 authority for improvements to department of health facilities.

8 G. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount  
9 equal to fifteen and ninety-five hundredths percent of the net receipts, exclusive of  
10 penalties and interest, attributable to the cigarette tax shall be made to the New Mexico  
11 finance authority for deposit in the credit enhancement account created in the  
12 authority."

13 Section 2. Section 7-12-3 NMSA 1978 (being Laws 1971, Chapter 77, Section  
14 3, as amended) is amended to read:

15 "7-12-3. EXCISE TAX ON CIGARETTES--RATES.--

16 A. For the privilege of selling, giving or consuming cigarettes in New  
17 Mexico, there is levied an excise tax at the rate of four and fifty-five hundredths cents  
18 (\$.0455) for each cigarette sold, given or consumed in this state.

19 B. The tax imposed by this section shall be referred to as the  
20 "cigarette tax".

21 Section 3. NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--  
22 PURPOSE--APPROPRIATION.--

23 A. The New Mexico finance authority may issue and sell revenue  
24 bonds in compliance with the New Mexico Finance Authority Act for a term not  
25 exceeding fifteen years in an amount not exceeding sixty million dollars (\$60,000,000)  
for the purpose of designing, constructing, equipping and furnishing additions and  
improvements to the university of New Mexico hospital and the cancer research and  
treatment center at the university of New Mexico health sciences center.

B. The New Mexico finance authority may issue and sell revenue

1 bonds authorized by this section when the vice president for health sciences of the  
2 university of New Mexico certifies the need for issuance of the bonds. The net  
3 proceeds from the sale of the bonds are appropriated to the health sciences center of  
4 the university of New Mexico for the purposes described in Subsection A of this  
5 section.

6 C. The cigarette tax proceeds distributed to the New Mexico finance  
7 authority pursuant to Subsection E of Section 7-1-6.11 NMSA 1978 shall be pledged  
8 irrevocably for the payment of the principal, interest, premiums and related expenses  
9 on the bonds and for payment of the expenses incurred by the authority related to the  
10 issuance, sale and administration of the bonds.

11 D. The cigarette tax proceeds distributed to the New Mexico finance  
12 authority pursuant to Subsection E of Section 7-1-6.11 NMSA 1978 shall be deposited  
13 each month in a separate fund or account of the authority. Money in the separate  
14 fund or account in excess of the monthly amount necessary for immediate payment or  
15 designation for payment of principal and interest due on the bonds is appropriated to  
16 the university of New Mexico health sciences center and shall be transferred each  
17 month to the university of New Mexico health sciences center.

18 E. Upon payment of all principal, interest and other expenses or  
19 obligations related to the bonds, the New Mexico finance authority shall certify to the  
20 secretary of taxation and revenue that all obligations for the bonds issued pursuant to  
21 this section have been fully discharged and shall direct the secretary of taxation and  
22 revenue and the state treasurer to cease distributing cigarette tax proceeds to the  
23 authority pursuant to Subsection E of Section 7-1-6.11 NMSA 1978 and to distribute  
24 those cigarette tax proceeds to the general fund.

25 F. 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 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.

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

5 Section 4. NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--  
6 DEPARTMENT OF HEALTH FACILITIES--APPROPRIATION.--

7 A. The New Mexico finance authority may issue and sell revenue  
8 bonds in compliance with the New Mexico Finance Authority Act for projects authorized  
9 specifically by law for improvements to department of health facilities.

10 B. The New Mexico finance authority may issue and sell revenue  
11 bonds authorized by this section when the secretary of finance and administration  
12 certifies the need for issuance of the bonds. The net proceeds from the sale of the  
13 bonds are appropriated to the capital program fund administered by the property  
14 control division of the general services department for the purposes described in  
15 Subsection A of this section.

16 C. The cigarette tax proceeds distributed to the New Mexico finance  
17 authority pursuant to Subsection F of Section 7-1-6.11 NMSA 1978 shall be pledged  
18 irrevocably for the payment of the principal, interest, premiums and related expenses  
19 on the bonds and for payment of the expenses incurred by the New Mexico finance  
20 authority related to the issuance, sale and administration of the bonds.

21 D. The cigarette tax proceeds distributed to the New Mexico finance  
22 authority pursuant to Subsection F of Section 7-1-6.11 NMSA 1978 shall be deposited  
23 each month in a separate fund or account of the authority. Money in the separate  
24 fund or account in excess of the combined total of the principal, interest and other  
25 expenses or obligations related to the bonds coming due in that fiscal year is  
appropriated to and shall be transferred to the capital program fund for capital  
improvements to department of health facilities recommended by the secretary of  
health and approved by the secretary of finance and administration.

E. Upon payment of all principal, interest and other expenses or

1 obligations related to the bonds, the New Mexico finance authority shall certify to the  
2 secretary of taxation and revenue that all obligations for the bonds issued pursuant to  
3 this section have been fully discharged and shall direct the secretary of taxation and  
4 revenue and the state treasurer to cease distributing cigarette tax proceeds to the  
5 authority pursuant to Subsection F of Section 7-1-6.11 NMSA 1978 and to distribute  
6 those cigarette tax proceeds to the general fund.

SF  
C/S  
B  
804  
,  
336  
,  
717  
&  
835  
Pag  
e 5

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

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

14 Section 5. A new section of the New Mexico Finance Authority Act is enacted  
15 to read:

16 "CREDIT ENHANCEMENT ACCOUNT CREATED--USE OF ACCOUNT--  
17 RELEASE OF MONEY TO THE GENERAL FUND.--

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

20 B. All cigarette tax proceeds distributed each month to the authority  
21 pursuant to Subsection G of Section 7-1-6.11 NMSA 1978 shall be deposited in the  
22 credit enhancement account.

23 C. Amounts deposited in the credit enhancement account may be  
24 pledged irrevocably as additional security for the payment of the principal, interest,  
25 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 cancer research

1 and treatment center at the university of New Mexico health sciences center; and

2 (2) improvements to department of health facilities.

3 D. The authority shall determine monthly upon receipt of cigarette tax  
4 proceeds if the individual amounts of cigarette tax proceeds distributed pursuant to  
5 Subsection E or Subsection F, respectively, of Section 7-1-6.11 NMSA 1978 are  
6 sufficient to meet the monthly amount required for immediate payment or designation  
7 for payment of principal, interest, premiums and expenses on bonds additionally  
8 secured by the credit enhancement account. Any insufficient amount shall be paid  
9 immediately from the credit enhancement account. A payment from the credit  
10 enhancement account shall be reimbursed in succeeding months from the individual  
11 amount of cigarette tax proceeds distributed pursuant to Subsection E or Subsection  
12 F, as applicable, of Section 7-1-6.11 NMSA 1978 in excess of the amount required for  
13 immediate payment or designation for payment of principal, interest, premiums and  
14 expenses on bonds. All money in the credit enhancement account in excess of the  
15 monthly amount required for immediate payment or designation for payment of  
16 principal, interest, premiums and expenses on bonds shall be transferred monthly by  
17 the authority to the general fund.

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

25 F. 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 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

1 or provisions have been made for a full discharge."

2 Section 6. EFFECTIVE DATE.--

3 A. The effective date of the provisions of Section 1 of this act is August  
4 1, 2003.

5 B. The effective date of the provisions of Sections 2 through 5 of this  
6 act is July 1, 2003.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

SF  
C/S  
B  
804  
,  
336  
,  
717  
&  
835  
Pag  
e 7