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SENATE BILL 804

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Manny M. Aragon

AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE CIGARETTE TAX;  
MODIFYING DISTRIBUTIONS OF CIGARETTE TAX REVENUE; AUTHORIZING  
THE ISSUANCE OF REVENUE BONDS; MAKING APPROPRIATIONS.

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 [~~four and three-quarters~~] one and  
sixty-three 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

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1 fund in an amount equal to [~~nine and one-half~~] three and one-  
2 fourth percent of the net receipts, exclusive of penalties and  
3 interest, attributable to the cigarette tax.

4 C. A distribution pursuant to Section 7-1-6.1 NMSA  
5 1978 shall be made to the cancer research and treatment center  
6 at the university of New Mexico [~~school of medicine~~] health  
7 sciences center in an amount equal to [~~four and three-quarters~~]  
8 one and sixty-three hundredths percent of the net receipts,  
9 exclusive of penalties and interest, attributable to the  
10 cigarette tax.

11 D. A distribution pursuant to Section 7-1-6.1 NMSA  
12 1978 shall be made to the New Mexico finance authority in an  
13 amount equal to [~~seven and one-eighth~~] two and forty-four  
14 hundredths percent of the net receipts, exclusive of penalties  
15 and interest, attributable to the cigarette tax.

16 E. A distribution pursuant to Section 7-1-6.1 NMSA  
17 1978 shall be made, on behalf of and for the benefit of the  
18 university of New Mexico health sciences center, to the New  
19 Mexico finance authority in the following amounts:

20 (1) an amount equal to twenty-six and three-  
21 tenths percent of the net receipts, exclusive of penalties and  
22 interest, attributable to the cigarette tax; and

23 (2) an amount equal to eighteen and forty-one  
24 hundredths percent of the net receipts, exclusive of penalties  
25 and interest, attributable to the cigarette tax."

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

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

4           A.   For the privilege of selling, giving or  
5 consuming cigarettes in New Mexico, there is levied an excise  
6 tax at the rate of [~~one and five hundredths cents (\$.0105)~~]  
7 three and fifty-five hundredths cents (\$.0355) for each  
8 cigarette sold, given or consumed in this state.

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

11           Section 3.   [NEW MATERIAL] NEW MEXICO FINANCE AUTHORITY  
12 REVENUE BONDS-- PURPOSE-- APPROPRIATION. --

13           A.   The New Mexico finance authority may issue and  
14 sell revenue bonds in compliance with the New Mexico Finance  
15 Authority Act in an amount not exceeding eighty million dollars  
16 (\$80,000,000) for the purpose of designing, constructing,  
17 equipping and furnishing additions and improvements to the  
18 university of New Mexico health sciences center.

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

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

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

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

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1 1978 and to distribute those cigarette tax proceeds as follows:

2 (1) the distribution pursuant to Paragraph (1)  
3 of Subsection E of Section 7-1-6.11 NMSA 1978 shall be  
4 distributed to the university of New Mexico health sciences  
5 center; and

6 (2) the distribution pursuant to Paragraph (2)  
7 of Subsection E of Section 7-1-6.11 NMSA 1978 shall be  
8 distributed to the general fund.

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

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

22 Section 4. EFFECTIVE DATE. --

23 A. The effective date of the provisions of Sections  
24 2 and 3 of this act is July 1, 2003.

25 B. The effective date of the provisions of Section  
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1 1 of this act is August 1, 2003.

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