AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE CIGARETTE TAX;
PROVIDING FOR DISTRIBUTION OF CIGARETTE TAX REVENUES;
AUTHORIZING THE ISSUANCE OF REVENUE BONDS; CREATING A FUND;
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] two and
thirteen-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

.144823.1

underscored material = new
[bracketed material] = delete

1   1978 shall be made to the county and municipal cigarette tax

2   fund in an amount equal to [nine and one-half] four and twenty-

3   six hundredths percent of the net receipts, exclusive of

4   penalties and interest, attributable to the cigarette tax.

5   C.   A distribution pursuant to Section 7-1-6.1 NMSA

6   1978 shall be made to the cancer research and treatment center

7   at the university of New Mexico [school of medicine] health

8   sciences center in an amount equal to [four and three-quarters]

9   two and thirteen-hundredths percent of the net receipts,

10   exclusive of penalties and interest, attributable to the

11   cigarette tax.

12   D.   A distribution pursuant to Section 7-1-6.1 NMSA

13   1978 shall be made to the New Mexico finance authority in an

14   amount equal to [seven and one-eighth] three and nineteen-

15   hundredths percent of the net receipts, exclusive of penalties

16   and interest, attributable to the cigarette tax.

17   E.   Distributions pursuant to Section 7-1-6.1 NMSA

18   1978 shall be made to the board of regents of the university of

19   New Mexico in the following amounts for the following purposes:

20   (1) one and five-hundredths percent of the net

21   receipts, exclusive of penalties and interest, attributable to

22   the cigarette tax to provide funds for the center for

23   telehealth; and

24   (2) two and sixty-three hundredths percent of

25   the net receipts, exclusive of penalties and interest,

.144823.1

1   attributable to the cigarette tax to provide for the New Mexico

2   health sciences center to contract for research on emphysema

3   and lung cancer detection and treatment.

4   F.   A distribution pursuant to Section 7-1-6.1 NMSA

5   1978 shall be made to the supplemental medicaid fund in an

6   amount equal to twenty-one percent of the net receipts,

7   exclusive of penalties and interest, attributable to the

8   cigarette tax.

9   G.   A distribution pursuant to Section 7-1-6.1 NMSA

10   1978 shall be made, on behalf of and for the benefit of the New

11   Mexico health sciences center, to the New Mexico finance

12   authority in an amount equal to thirty-one and twenty-three

13   hundredths percent of the net receipts, exclusive of penalties

14   and interest, attributable to the cigarette tax."

15   Section 2.   Section 7-12-3 NMSA 1978 (being Laws 1971,

16   Chapter 77, Section 3, as amended) is amended to read:

17   "7-12-3.   EXCISE TAX ON CIGARETTES--RATES.--

18   A.   For the privilege of selling, giving or

19   consuming cigarettes in New Mexico, there is levied an excise

20   tax at the rate of [one and five hundredths cents ($.0105)] two

21   and fifty-five hundredths cents ($.0255) for each cigarette

22   sold, given or consumed in this state.

23   B.   The tax imposed by this section shall be

24   referred to as the "cigarette tax"."

25   Section 3.   [NEW MATERIAL] NEW MEXICO FINANCE AUTHORITY

.144823.1

- 3 -

REVENUE BONDS--PURPOSE--APPROPRIATION.--

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

      B.   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 Subsection A of this section.

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

      D.   The cigarette tax proceeds distributed to the New Mexico finance authority pursuant to Subsection G 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

.144823.1

necessary for immediate payment or designation for payment of

principal and interest due or coming due each year on the bonds

shall be transferred to the supplemental medicaid fund.

E.   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 the taxation and revenue and the state

treasurer to cease distributing cigarette tax proceeds to the

authority pursuant to Subsection G of Section 7-1-6.11 NMSA

1978 and to distribute those cigarette tax proceeds to the

supplemental medicaid fund.

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.

G.   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

.144823.1

- 5 -

1   revolving fund as determined by the authority.

2   Section 4.   [NEW MATERIAL] SUPPLEMENTAL MEDICAID FUND

3   CREATED--PURPOSE.--The "supplemental medicaid fund" is created

4   in the state treasury.   The fund shall consist of money

5   transferred to the fund pursuant to Section 7-1-6.11 NMSA 1978.

6   Money in the fund shall be appropriated by the legislature only

7   for funding medicaid coverage for persons with developmental

8   disabilities who are on a waiting list and are eligible for

9   such coverage.   Balances in the fund shall not revert at the

10 end of any fiscal year, but shall remain in the fund for

11 appropriation only for the purpose authorized in this section.

12   Section 5.   APPLICABILITY.--The provisions of Section 1 of

13 this act apply to revenues received by the taxation and revenue

14 department on or after August 1, 2003.

15   Section 6.   EFFECTIVE DATE.--

16   A.   The effective date of the provisions of Sections

17 2 through 4 of this act is July 1, 2003.

18   B.   The effective date of the provisions of Section

19 1 of this act is August 1, 2003.

20   - 6 -

21

22

23

24

25

    .144823.1