

FORTY- EIGHTH LEGISLATURE
FIRST SESSION

February 7, 2007

SENATE FLOOR AMENDMENT number ___1___ to SENATE BILL 221, as
amended

Amendment sponsored by Senator John Arthur Smith

1. On page 1, line 13, after the semicolon, insert "PROVIDING ANNUAL REPORTING REQUIREMENTS FOR ECONOMIC DEVELOPMENT REVOLVING FUND PROJECTS FINANCED THROUGH THE NEW MEXICO FINANCE AUTHORITY; REQUIRING ENTITIES TO WAIVE CONFIDENTIALITY IN ORDER TO QUALIFY FOR CERTAIN LOAN PROGRAMS;".

2. On page 6, between lines 19 and 20, insert the following new section:

"Section 2. Section 6-25-6 NMSA 1978 (being Laws 2003, Chapter 349, Section 6, as amended) is amended to read:

"6-25-6. NEW MEXICO FINANCE AUTHORITY-- ADDITIONAL POWERS AND DUTIES. --

A. To implement a program to assist eligible entities in financing projects, the authority has the powers specified in this section.

B. Projects receiving financing assistance with money in the fund shall first be approved by law. To protect public money in the fund or other public resources, rules of the authority relating to state projects shall include provisions to ensure achievement of the economic development goals of the state project and shall describe the means of recovering public money or other public resources if an eligible entity defaults on its obligations to the authority.

C. In order to qualify for financing assistance from the

FORTY- EIGHTH LEGISLATURE
FIRST SESSION

SF1/SB 221, aa

Page 2

economic development revolving fund, eligible entities shall waive state and federal confidentiality laws or provisions, including the provisions of Section 6-25-27 NMSA 1978 to the extent needed to comply with the annual reporting requirements. The authority shall report annually to the New Mexico finance authority oversight committee, the governor and the legislature for each project approved during the previous calendar year such information as may be required to allow evaluation of the effectiveness of the program, including the name of the company, the project location, the amount of the state loan and the number of jobs created, as well as the status of all outstanding loans.

~~[C.]~~ D. Standard projects shall be approved by the authority pursuant to rules approved by the New Mexico finance authority oversight committee.

~~[D.]~~ E. The authority may:

(1) issue project revenue bonds on behalf of an eligible entity, payable from the revenues of a project and other revenues authorized as security for the bonds, to finance a project on behalf of an eligible entity;

(2) make loans from the fund for projects to eligible entities that establish one or more dedicated sources of revenue to repay the loan from the authority;

(3) enter into loan participation agreements from the fund for projects, whether in the form of an interest rate buy-down, the purchase of loans or portions of loans originated and underwritten by third-party lenders or other similar arrangements;

(4) provide loan guarantees from the fund for projects;

FORTY-EIGHTH LEGISLATURE
FIRST SESSION

SF1/SB 221, aa

Page 3

(5) make, execute and enforce all contracts necessary, convenient or desirable for purposes of the authority or pertaining to project revenue bonds, economic development revolving fund bonds, loans, loan participations or loan guarantees and the Statewide Economic Development Finance Act and pay the reasonable value of services rendered to the authority pursuant to the contracts;

(6) purchase and hold loans and loan participations in the fund at prices and in a manner determined by the authority;

(7) sell loans and loan participations acquired or held by the authority in the fund at prices and in a manner determined by the authority;

(8) prescribe the form of application or procedure required of an eligible entity to apply for financing assistance;

(9) fix the terms and conditions of the financing assistance, including the priority of lien and type of collateral or other security, and enter into agreements with eligible entities with respect to financing assistance;

(10) fix, revise from time to time, charge and collect fees and other charges in connection with the issuance of bonds; the making, purchase, participation in or guarantee of loans; and the review of proposed financing assistance to an eligible entity, whether or not the financing assistance is provided;

(11) employ architects, engineers, accountants and attorneys; construction and financial experts; and such other advisors, consultants and agents as may be necessary in its judgment, and fix and pay their compensation;

(12) to the extent allowed under its contracts with

FORTY- EIGHTH LEGISLATURE
FIRST SESSION

SF1/SB 221, aa

Page 4

the holders of bonds of the authority, consent to modification of the rate of interest, time and payment of installments of principal or interest, security or any other term of financing assistance;

(13) consider the ability of the eligible entity to secure financing for a project from other sources and the costs of that financing;

(14) acquire fee simple, leasehold, mortgagor's or mortgagee's interests in real or personal property and sell, mortgage, convey, lease or assign that property for authority purposes; and

(15) in the event of default by an eligible entity, enforce its rights by suit, mandamus and all other remedies available under law.

[E.] F. The authority shall adopt rules subject to approval of the New Mexico finance authority oversight committee to:

(1) establish procedures for applying for financing assistance;

(2) establish credit qualifications for eligible entities and establish terms and conditions for financing assistance;

(3) establish economic development goals for projects in consultation with the department;

(4) establish methods for determining quantifiable benefits;

(5) provide safeguards to protect public money and

FORTY- EIGHTH LEGISLATURE
FIRST SESSION

SF1/SB 221, aa

Page 5

other public resources provided for a state project;

(6) establish procedures by which the authority requests approval by law for projects receiving financing assistance with money in the fund; and

(7) establish fees to pay the costs of evaluating, originating and administering financing assistance.

[F.] G. The authority shall coordinate with the department to provide staffing and other assistance to the department in carrying out the department's responsibilities and activities pursuant to the Statewide Economic Development Finance Act. "".

3. Reconcile the addition of the new Section 2 with any amendments to Section 1 on Page 6 between lines 19 and 20. Renumber the succeeding section accordingly.

John Arthur Smith

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____