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SENATE BILL 583

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

RAYMOND L. KYSAR

AN ACT

RELATING TO PUBLIC FINANCING; AMENDING AND ENACTING SECTIONS OF  
THE NEW MEXICO FINANCE AUTHORITY ACT; DECLARING EMERGENCY.

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

Section 1. Section 6-21-3 NMSA 1978 (being Laws 1992,  
Chapter 61, Section 3, as amended) is amended to read:

"6-21-3. DEFINITIONS. -- As used in the New Mexico Finance  
Authority Act:

A. "authority" means the New Mexico finance  
authority;

B. "bond" means any bonds, notes, certificates of  
participation or other evidence of indebtedness;

C. "bondholder" or "holder" means a person who is  
the owner of a bond, whether registered or not;

D. "partnership project" means the acquisition.

Underscored material = new  
[bracketed material] = delete

Underscored material = new  
[bracketed material] = delete

1 construction, improvement, alteration or reconstruction of  
2 assets of a long-term capital nature, including land; buildings;  
3 water rights; water, sewage and waste disposal systems; or  
4 machinery, furniture or equipment by a qualified entity that  
5 controls at least twenty-five percent interest in a public-  
6 private partnership. The asset shall be suitable for use in any  
7 one or combination of the following enterprises:

8 (1) an industry for the manufacturing,  
9 processing or assembling of any agricultural or manufactured  
10 products;

11 (2) commercial storage, warehousing,  
12 distributing or selling products of agriculture, mining industry  
13 or distribution to the public of electricity, gas, water or  
14 telephone or other services commonly classified as public  
15 utilities;

16 (3) a business in which all or part of the  
17 activities of the business involve the supplying of services to  
18 the general public or governmental agencies or to a specific  
19 industry or customer;

20 (4) a nursing home;

21 (5) a mass-transit system or other  
22 transportation activity involving the movement of passengers;

23 (6) an industrial park;

24 (7) business or corporate headquarters;

25 (8) a research and development facility; or

Underscored material = new  
[bracketed material] = delete

1                   (9) any water distribution or irrigation  
2 system, including, without limitation, pumps, distribution  
3 lines, transmission lines, towers, dams and similar facilities  
4 and equipment, designed to provide water to an agricultural  
5 venture;

6                   E. "public-private partnership project bond" means a  
7 bond issued by the authority, the proceeds of which shall be  
8 used to fund partnership projects;

9                   ~~[D.]~~ E. "public project" means the acquisition,  
10 construction, improvement, alteration or reconstruction of  
11 assets of a long-term capital nature by a qualified entity,  
12 including but not limited to land; buildings; water rights;  
13 water, sewerage and waste disposal systems; streets; rural  
14 roads; airports; municipal utilities; parking facilities; and  
15 machinery, furniture and equipment. "Public project" includes  
16 all proposed expenditures related to the entire undertaking;

17                   ~~[E.]~~ G. "qualified entity" means the state or any  
18 agency or institution of the state or any county, municipality,  
19 school district, special district ~~[or]~~, community water  
20 association or an Indian nation, tribe or pueblo located wholly  
21 or partially in New Mexico, including a political subdivision or  
22 a wholly owned enterprise of an Indian nation, tribe or pueblo;  
23 and

24                   ~~[F.]~~ H. "security" or "securities", unless the  
25 context indicates otherwise, means bonds, notes or other

1 evidence of indebtedness issued by a qualified entity or leases  
2 or certificates or other evidence of participation in the  
3 lessor's interest in and rights under a lease with a qualified  
4 entity and that are payable from taxes, revenues, rates,  
5 charges, assessments or user fees or from the proceeds of  
6 funding or refunding bonds, notes or other evidences of  
7 indebtedness of a qualified entity or from certificates or  
8 evidence of participation in a lease with a qualified entity."

9 Section 2. Section 6-21-14 NMSA 1978 (being Laws 1992,  
10 Chapter 61, Section 14) is amended to read:

11 "6-21-14. PUBLICATION OF NOTICE--VALIDATION--LIMITATION OF  
12 ACTION.--

13 A. After adoption of a resolution authorizing  
14 issuance of bonds, including public-private partnership project  
15 bonds, the authority shall publish notice of the adoption of the  
16 resolution once in a newspaper of general statewide circulation.

17 B. After the passage of thirty days from the  
18 publication required by Subsection A of this section, any action  
19 attacking the validity of the proceedings had or taken by the  
20 authority preliminary to and in the authorization and issuance  
21 of the bonds, including public-private partnership project  
22 bonds, described in the notice is perpetually barred."

23 Section 3. Section 6-21-15 NMSA 1978 (being Laws 1992,  
24 Chapter 61, Section 15) is amended to read:

25 "6-21-15. REFUNDING BONDS.--The authority is authorized to

Underscored material = new  
[bracketed material] = delete

1 issue its bonds for the purpose of refunding any bonds,  
2 including public-private partnership project bonds, then  
3 outstanding, including the payment of any redemption premiums  
4 thereon and any interest accrued or to accrue to the date of  
5 redemption of the outstanding bonds. Until the proceeds of the  
6 bonds issued for the purpose of refunding outstanding bonds are  
7 applied to the purchase or retirement of the outstanding bonds  
8 or the redemption of the outstanding bonds, the proceeds may be  
9 placed in escrow and be invested and reinvested. The interest,  
10 income and profits, if any, earned or realized on any such  
11 investment may, in the discretion of the authority, also be  
12 applied to the payment of the outstanding bonds to be refunded  
13 by purchase, retirement or redemption, as the case may be.  
14 After the terms of the escrow have been fully satisfied and  
15 carried out, any balance of such proceeds and interest, if any,  
16 earned or realized on the investments thereof may be returned to  
17 the authority for use by it in any lawful manner. All such  
18 bonds shall be issued and secured and shall be subject to the  
19 provisions of the New Mexico Finance Authority Act in the same  
20 manner and to the same extent as any other bonds issued pursuant  
21 to the New Mexico Finance Authority Act. "

22 Section 4. Section 6-21-17 NMSA 1978 (being Laws 1992,  
23 Chapter 61, Section 17) is amended to read:

24 "6-21-17. REMEDIES OF BONDHOLDERS. -- Any holder of bonds,  
25 including public-private partnership project bonds, issued

Underscored material = new  
[bracketed material] = delete

1 pursuant to the New Mexico Finance Authority Act or a trustee  
2 under a trust indenture entered into pursuant to that act,  
3 except to the extent that his rights are restricted by any bond  
4 resolution or trust indenture authorized pursuant to the bond  
5 resolution, may protect and enforce, by any suitable form of  
6 legal proceedings, any rights under the laws of this state or  
7 granted by the bond resolution or trust indenture authorized  
8 pursuant to the bond resolution. Such rights include the right  
9 to compel the performance of all duties of the authority  
10 required by the New Mexico Finance Authority Act or the bond  
11 resolution and to enjoin unlawful activities. "

12 Section 5. Section 6-21-18 NMSA 1978 (being Laws 1992,  
13 Chapter 61, Section 18) is amended to read:

14 "6-21-18. AGREEMENT OF THE STATE. --The state does hereby  
15 pledge to and agree with the holders of any bonds or notes,  
16 including public-private partnership project bonds, issued under  
17 the New Mexico Finance Authority Act that the state will not  
18 limit or alter the rights hereby vested in the authority to  
19 fulfill the terms of any agreements made with the holders  
20 thereof or in any way impair the rights and remedies of those  
21 holders until the bonds or notes together with the interest  
22 thereon, with interest on any unpaid installments of interest,  
23 and all costs and expenses in connection with any action or  
24 proceedings by or on behalf of those holders, are fully met and  
25 discharged. The authority is authorized to include this pledge

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Underscored material = new  
[bracketed material] = delete

1 and agreement of the state in any agreement with the holders of  
2 the bonds or notes."

3 Section 6. Section 6-21-19 NMSA 1978 (being Laws 1992,  
4 Chapter 61, Section 19) is amended to read:

5 "6-21-19. BONDS--LEGAL INVESTMENTS FOR PUBLIC OFFICERS AND  
6 FIDUCIARIES.--The bonds, including public-private partnership  
7 project bonds, issued under the authority of the New Mexico  
8 Finance Authority Act shall be legal investments in which all  
9 insurance companies, banks and savings and loan associations  
10 organized under the laws of the state, public officers and  
11 public bodies and all administrators, guardians, executors,  
12 trustees and other fiduciaries may properly and legally invest  
13 funds."

14 Section 7. Section 6-21-20 NMSA 1978 (being Laws 1992,  
15 Chapter 61, Section 20) is amended to read:

16 "6-21-20. TAX EXEMPTION.--

17 A. It is ~~hereby~~ determined that the creation of  
18 the authority is in all respects for the benefit of the people  
19 of the state, for the improvement of their health and welfare  
20 and for the promotion of proposed projects or facilities  
21 pursuant to the New Mexico Finance Authority Act and that these  
22 purposes are public purposes and the authority will be  
23 performing an essential governmental function in the exercise of  
24 the powers conferred upon it by the New Mexico Finance Authority  
25 Act. The state covenants with the purchasers and all subsequent

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Underscored material = new  
[bracketed material] = delete

1 holders and transferees of bonds issued by the authority, in  
2 consideration of the acceptance of and payment for the bonds,  
3 that the bonds, including public-private partnership project  
4 bonds, issued pursuant to that act and the income from the bonds  
5 shall at all times be free from taxation by the state, except  
6 for estate or gift taxes and taxes on transfers.

7 B. The property, income and operations of the  
8 authority shall be exempt from taxation of every kind and  
9 nature. "

10 Section 8. Section 6-21-23 NMSA 1978 (being Laws 1992,  
11 Chapter 61, Section 23, as amended) is amended to read:

12 "6-21-23. PROHIBITED ACTIONS. --The authority shall not:

13 A. lend money or make a grant other than to a  
14 qualified entity;

15 B. purchase securities other than from a qualified  
16 entity or other than for investment as provided in the New  
17 Mexico Finance Authority Act;

18 C. lease a public project to any entity other than a  
19 qualified entity;

20 D. deal in securities within the meaning of or  
21 subject to any securities law, securities exchange law or  
22 securities dealers law of the United States or of the state or  
23 of any other state or jurisdiction, domestic or foreign, except  
24 as authorized in the New Mexico Finance Authority Act;

25 E. issue bills of credit or accept deposits of money



Underscored material = new  
[bracketed material] = delete

1 for time on demand deposit or administer trusts or engage in any  
2 form or manner, or in the conduct of, any private or commercial  
3 banking business, or act as a savings bank or savings and loan  
4 association or any other kind of financial institution except as  
5 authorized in the New Mexico Finance Authority Act; ~~[or]~~

6 F. engage in any form of private or commercial  
7 banking business except as authorized in the New Mexico Finance  
8 Authority Act; or

9 G. lend money, issue bonds, including public-private  
10 partnership project bonds, or make a grant for the promotion of  
11 gaming or a gaming enterprise or for development of  
12 infrastructure for a gaming facility."

13 Section 9. Section 6-21-27 NMSA 1978 (being Laws 1992,  
14 Chapter 61, Section 27) is amended to read:

15 "6-21-27. CUMULATIVE AUTHORITY. --The New Mexico Finance  
16 Authority Act shall be deemed to provide an additional and  
17 alternative method for the doing of things authorized ~~[thereby]~~  
18 in that act and shall be regarded as supplemental and additional  
19 to powers conferred by other laws and shall not be regarded as  
20 in derogation of any powers now existing; provided that the  
21 issuance of bonds, including public-private partnership project  
22 bonds, under the provisions of the New Mexico Finance Authority  
23 Act need not comply with the requirements of any other law  
24 applicable to the issuance of bonds."

25 Section 10. A new section of the New Mexico Finance

Underscored material = new  
[bracketed material] = delete

1 Authority Act is enacted to read:

2 "[NEW MATERIAL] PARTNERSHIP PROJECT PROGRAM- DUTIES OF  
3 AUTHORITY. --The authority has the following duties:

4 A. to develop and administer a program to assist a  
5 qualified entity to enter into public-private partnerships that  
6 will enhance the economic base of or provide an essential  
7 service to a qualified entity's community;

8 B. to establish a process and procedures for review  
9 and assessment of partnership projects; and

10 C. to work together with the qualified entities of  
11 the state to develop projects that will benefit the community  
12 and the state as a whole. "

13 Section 11. A new section of the New Mexico Finance  
14 Authority Act is enacted to read:

15 "[NEW MATERIAL] PARTNERSHIP PROJECTS-- PROGRAM CREATED--  
16 LOANS. --The "public-private partnership program" is created to  
17 provide needed capital for qualified entities that have created  
18 partnerships with private sector entities to participate in  
19 economic development opportunities or to provide needed services  
20 for the community. The qualified entity shall control no less  
21 than twenty-five percent of the partnership, shall be a managing  
22 partner and shall hold the title to all facilities and  
23 improvements in a percentage equal to that percentage of the  
24 cost to develop the entire facility and improvements represented  
25 by the amount of funding provided by the New Mexico finance

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1 authority pursuant to the public-private partnership program;  
2 provided, however, that the percentage ownership of the  
3 facilities is no less than twenty-five percent of the ownership  
4 interest in the facilities and improvements funded. To further  
5 the purposes of the public-private partnership program, the  
6 authority may:

7 A. make loans to qualified entities who are seeking  
8 funds for partnership projects that may be profit-generating  
9 ventures;

10 B. make, enter into and enforce all contracts or  
11 agreements necessary, convenient or desirable for the purposes  
12 of the authority or pertaining to:

13 (1) a loan to a qualified entity that is a  
14 partner in a public-private partnership; or

15 (2) the performance of its duties and execution  
16 of its powers under the New Mexico Finance Authority Act;

17 C. prescribe the form of application or procedure  
18 required of a qualified entity for a loan, fix the terms and  
19 conditions of the loan and enter into agreements with qualified  
20 entities with respect to loans;

21 D. charge for the costs and services in review or  
22 consideration of a proposed partnership project incurred by the  
23 authority; or

24 E. issue public-private partnership project bonds in  
25 amounts necessary to provide funding for partnership projects. "

Underscored material = new  
[bracketed material] = delete

1           Section 12. A new section of the New Mexico Finance  
2 Authority Act is enacted to read:

3           " [NEW MATERIAL] PRIVATE-PUBLIC PARTNERSHIP PROJECT BONDS--  
4 EXPRESS STATEMENT. --No provision of the New Mexico Finance  
5 Authority Act regarding bonds issued by the authority applies to  
6 public-private partnership project bonds unless the section of  
7 that act expressly references public-private partnership project  
8 bonds. "

9           Section 13. A new section of the New Mexico Finance  
10 Authority Act is enacted to read:

11           " [NEW MATERIAL] PUBLIC-PRIVATE PARTNERSHIP PROJECT BONDS--  
12 AUTHORITY TO ISSUE-- PROVISIONS. --

13           A. Public-private partnership project bonds may be  
14 issued by the authority to fund partnership projects.

15           B. Public-private partnership project bonds issued  
16 by the authority shall not be the general obligation of the  
17 state or the authority.

18           C. Public-private partnership project bonds shall be  
19 repaid solely out of the revenue derived from the partnership  
20 projects that are funded by the proceeds derived from the sale  
21 of those bonds or other revenues pledged by the qualified  
22 entity.

23           D. Public-private partnership project bonds and  
24 interest coupons, if any, issued by the authority, shall not  
25 constitute an indebtedness of the authority or the public

Underscored material = new  
[bracketed material] = delete

1 project revolving fund or give rise to a financial liability of  
2 the authority or the public project revolving fund. Each  
3 public-private partnership project bond shall clearly state on  
4 its face that the bonds do not constitute an indebtedness of the  
5 authority or the public project revolving fund.

6 E. The authority shall set forth in a resolution  
7 authorizing the issuance and sale of each issue of  
8 public-private partnership project bonds, the following  
9 requirements:

10 (1) the series, time, form and denomination in  
11 which the bonds are to be executed and delivered;

12 (2) the maturity schedule that shall not exceed  
13 thirty years from the date of issue;

14 (3) interest rates of the bonds; and

15 (4) whether the bonds will be sold by public or  
16 private sale.

17 F. Public-private partnership project bonds issued  
18 by the authority are negotiable instruments for all purposes of  
19 the Uniform Commercial Code, subject only to the provisions of  
20 the bonds for registration.

21 G. Any resolution for the issuance of public-private  
22 partnership project bonds shall provide that each bond  
23 authorized shall recite that it is issued by the authority. The  
24 recital shall clearly state that the bonds are in full  
25 compliance with all the provisions of the New Mexico Finance

Underscored material = new  
[bracketed material] = delete

1 Authority Act. "

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

4 " [NEW MATERIAL] PUBLIC-PRIVATE PARTNERSHIP PROJECT BONDS--  
5 SECURITY. --

6 A. The principal of and interest on public-private  
7 partnership project bonds issued by the authority shall be  
8 secured by a pledge of the revenues derived from the revenue-  
9 generating enterprise anticipated by the partnership project.  
10 The principal of and interest on public-private partnership  
11 project bonds may in addition be secured by a mortgage covering  
12 all or any part of the partnership project from which the  
13 revenues pledged may be derived or may be secured by a pledge of  
14 the lease of the partnership project.

15 B. The resolution of the authority authorizing the  
16 issuance and sale of public-private partnership project bonds  
17 may contain agreements and provisions customarily contained in  
18 instruments securing bonds, including terms to be incorporated  
19 in a lease of the partnership project, creation and maintenance  
20 of special funds from the revenues from the partnership project  
21 and the rights and remedies available in the event of a default  
22 to the bondholders or to the trustee under a mortgage and any  
23 other provisions that the authority deems necessary and are not  
24 in conflict with the New Mexico Finance Authority Act. "

25 Section 15. A new section of the New Mexico Finance

Underscored material = new  
[bracketed material] = delete

1 Authority Act is enacted to read:

2 " [NEW MATERIAL] PUBLIC-PRIVATE PARTNERSHIP PROJECT BONDS--  
3 USE OF PROCEEDS. --

4 A. The proceeds from the sale of public-private  
5 partnership project bonds shall be applied only for the purpose  
6 for which the bonds were issued; provided, however, that:

7 (1) any accrued interest received in a sale of  
8 those bonds shall be applied to the payment of the interest on  
9 the bonds sold; or

10 (2) if, for any reason, any portion of the  
11 proceeds is not needed for the purpose for which the bonds were  
12 issued, then the balance of the proceeds shall be applied to the  
13 payment of the principal of or interest on the bonds.

14 B. The cost of funding a partnership project shall  
15 be deemed to include the following:

16 (1) the actual cost of the construction of any  
17 part of a partnership project, including architects', attorneys'  
18 and engineers' fees;

19 (2) the purchase price of any part of a project  
20 that may be acquired by purchase;

21 (3) the actual cost of the extension of  
22 utilities to the project site or the development of other  
23 infrastructure for the project;

24 (4) all expenses in connection with the  
25 authorization, sale and issuance of the bonds to finance the

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partnership project;

(5) the interest on the bonds for a reasonable time prior to construction, during construction and not exceeding six months after completion of construction; and

(6) working capital. "

Section 17. EMERGENCY. --It is necessary for the public peace, health and safety that this act take effect immediately.



1 FORTY- SECOND LEGI SLATURE  
2 SECOND SESSI ON, 1996

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5 JANUARY 31, 1996

6  
7 Mr. President:

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9 Your COMMI TTEES' COMMI TTEE, to whom has been referred

10  
11 SENATE BILL 583

12  
13 has had it under consideration and finds same to be GERMANE, PURSUANT  
14 TO CONSTITUTIONAL PROVISIONS, and thence referred to the  
15 CORPORATIONS AND TRANSPORTATION COMMI TTEE.

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17 Respectfully submit ted,

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23 SENATOR MANNY M. ARAGON, Chai rman  
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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

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Date \_\_\_\_\_

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Underscored material = new  
~~[bracketed material] = delete~~

1 FORTY-SECOND LEGISLATURE  
2 SECOND SESSION, 1996  
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5 February 6, 1996  
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7 Mr. President:  
8

9 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to whom  
10 has been referred  
11

12 SENATE BILL 583  
13

14 has had it under consideration and reports same with recommendation that  
15 it DO PASS, amended as follows:  
16

- 17 1. On page 2, line 4, strike ", furniture or equipment".  
18  
19 2. On page 2, line 12, strike ", mining industry" and strike lines  
20 13 through 24 in their entirety.  
21  
22 3. On page 2, strike line 25 through "facility".  
23  
24 4. Renumber the succeeding paragraph accordingly.  
25  
5. On page 3, lines 13 and 14, strike "rural roads;".

6. On page 10, line 21, after "partnership" strike the comma, strike the remainder of line 21 and lines 21 through 25 in their entirety and insert in lieu thereof a period.

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7. On page 11, strike lines 1 through 3 in their entirety and strike line 4 through the period, and further recommends that it be referred to the WAYS AND MEANS COMMITTEE.

Respectfully submitted,

\_\_\_\_\_  
Roman M. Maes, III, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 7 For 1 Against

Underscored material = new  
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Yes: 7

No: Kidd

1 Excused: Riley

2 Absent: None

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1 FORTY- SECOND LEGI SLATURE  
2 SECOND SESSI ON, 1996  
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5 February 12, 1996  
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7 Mr. President:  
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9 Your WAYS AND MEANS COMMITTEE, to whom has been referred  
10

11 SENATE BILL 583, as amended  
12

13 has had it under consideration and reports same with recommendation that  
14 it DO NOT PASS, but that  
15

16 SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR  
17 SENATE BILL 583  
18

19 DO PASS, and thence referred to the FINANCE COMMITTEE.  
20

21 Respectfully submitted,  
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TITO D. CHAVEZ, Chairman

Underscored material = new  
[bracketed material] = delete

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

1 (Chief Clerk) (Chief Clerk)

2

3 Date \_\_\_\_\_

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6 The roll call vote was 5 For 0 Against

7 Yes: 5

8 No: 0

9 Excused: Riley, Romero, Wiener

10 Absent: None

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12 S0583WM1

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SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR  
SENATE BILL 583

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
1996

AN ACT

RELATING TO PUBLIC FINANCING; AMENDING SECTIONS OF THE NEW  
MEXICO FINANCE AUTHORITY ACT; DECLARING AN EMERGENCY.

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

Section 1. Section 6-21-3 NMSA 1978 (being Laws 1992,  
Chapter 61, Section 3, as amended) is amended to read:

"6-21-3. DEFINITIONS. --As used in the New Mexico Finance  
Authority Act:

- A. "authority" means the New Mexico finance authority;
- B. "bond" means any bonds, notes, certificates of participation or other evidence of indebtedness;
- C. "bondholder" or "holder" means a person who is the owner of a bond, whether registered or not;
- D. "public project" means the acquisition,



Underscored material = new  
[bracketed material] = delete

1 construction, improvement, alteration or reconstruction of  
2 assets of a long-term capital nature by a qualified entity,  
3 including but not limited to land; buildings; water rights;  
4 water, sewerage and waste disposal systems; streets; airports;  
5 municipal utilities; parking facilities; and machinery,  
6 furniture and equipment. "Public project" includes all proposed  
7 expenditures related to the entire undertaking;

8 E. "qualified entity" means the state or any agency or  
9 institution of the state or any county, municipality, school  
10 district, special district [or], community water association or  
11 an Indian nation, tribe or pueblo located wholly or partially in  
12 New Mexico, including a political subdivision or a wholly owned  
13 enterprise of an Indian nation, tribe or pueblo; and

14 F. "security" or "securities", unless the context  
15 indicates otherwise, means bonds, notes or other evidence of  
16 indebtedness issued by a qualified entity or leases or  
17 certificates or other evidence of participation in the lessor's  
18 interest in and rights under a lease with a qualified entity and  
19 that are payable from taxes, revenues, rates, charges,  
20 assessments or user fees or from the proceeds of funding or  
21 refunding bonds, notes or other evidences of indebtedness of a  
22 qualified entity or from certificates or evidence of  
23 participation in a lease with a qualified entity. "

24 Section 2. Section 6-21-23 NMSA 1978 (being Laws 1992,  
25 Chapter 61, Section 23, as amended) is amended to read:

"6-21-23. PROHIBITED ACTIONS. -- The authority shall not:

A. lend money or make a grant other than to a  
qualified entity;

1           B. purchase securities other than from a qualified entity  
2 or other than for investment as provided in the New Mexico Finance  
3 Authority Act;

4           C. lease a public project to any entity other than a  
5 qualified entity;

6           D. deal in securities within the meaning of or subject to  
7 any securities law, securities exchange law or securities dealers  
8 law of the United States or of the state or of any other state or  
9 jurisdiction, domestic or foreign, except as authorized in the New  
10 Mexico Finance Authority Act;

11           E. issue bills of credit or accept deposits of money for  
12 time on demand deposit or administer trusts or engage in any form  
13 or manner, or in the conduct of, any private or commercial banking  
14 business, or act as a savings bank or savings and loan association  
15 or any other kind of financial institution except as authorized in  
16 the New Mexico Finance Authority Act; [~~or~~]

17           F. engage in any form of private or commercial banking  
18 business except as authorized in the New Mexico Finance Authority  
19 Act; or

20           G. lend money, issue bonds, including public-private  
21 partnership project bonds, or make a grant for the promotion of  
22 gaming or a gaming enterprise or for development of infrastructure  
23 for a gaming facility."

24           Section 3. EMERGENCY.--It is necessary for the public peace,  
25 health and safety that this act take effect immediately.

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**State of New Mexico  
House of Representatives**

FORTY- SECOND LEGISLATURE  
SECOND SESSION, 1996

February 14, 1996

Mr. Speaker:

Your BUSINESS AND INDUSTRY COMMITTEE, to whom has  
been referred

SENATE WAYS AND MEANS COMMITTEE SUBSTITUTE FOR  
SENATE BILL 583

has had it under consideration and reports same with  
recommendation that it DO PASS.

Respectfully submitted,

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Fred Luna, Chairman

FORTY-SECOND LEGISLATURE  
SECOND SESSION, 1996

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 12 For 0 Against

Yes: 12

Excused: None

Absent: None

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