

AN ACT

RELATING TO FINANCE; AMENDING THE NEW MEXICO FINANCE AUTHORITY ACT TO ALLOW FINANCING OF EMERGENCY PUBLIC PROJECTS FROM THE PUBLIC PROJECT REVOLVING FUND; AMENDING THE DRINKING WATER STATE REVOLVING LOAN FUND ACT BY THE ADDITION OF A NEW SECTION CREATING THE WATER AND WASTEWATER FACILITY GRANT FUND AND PROVIDING FOR LIMITED GRANTS FOR CERTAIN WATER AND WASTEWATER PROJECTS; AUTHORIZING THE NEW MEXICO FINANCE AUTHORITY TO ISSUE REVENUE BONDS FOR THE WATER AND WASTEWATER FACILITY GRANT FUND.

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. "emergency public project" means a public project:

(1) made necessary by an unforeseen

occurrence or circumstance threatening public health, safety or welfare; and

(2) requiring the immediate expenditure of money that is not within the available financial resources of the qualified entity as determined by the authority;

E. "public project" means the acquisition, construction, improvement, alteration or reconstruction of assets of a long-term capital nature by a qualified entity, including land; buildings; water rights; water, sewerage and waste disposal systems; streets; airports; municipal utilities; parking facilities; and machinery, furniture and equipment. "Public project" includes all proposed expenditures related to the entire undertaking;

F. "qualified entity" means the state or an agency or institution of the state or a county, municipality, school district, land grant corporation, intercommunity water or natural gas supply association or corporation, special district or community water association or an Indian nation, tribe or pueblo located wholly or partially in New Mexico, including a political subdivision or a wholly owned enterprise of an Indian nation, tribe or pueblo; and

G. "security" or "securities", unless the context indicates otherwise, means bonds, notes or other evidence of indebtedness issued by a qualified entity or leases or certificates or other evidence of participation in the

lessor's interest in and rights under a lease with a qualified entity and that are payable from taxes, revenues, rates, charges, assessments or user fees or from the proceeds of funding or refunding bonds, notes or other evidence of indebtedness of a qualified entity or from certificates or evidence of participation in a lease with a qualified entity. "

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

"PUBLIC PROJECT REVOLVING FUND--EMERGENCY PUBLIC PROJECTS.--Money on deposit in the public project revolving fund may be used to acquire securities or to make loans to qualified entities for emergency public projects. The amount of securities acquired from or the loan made to a qualified entity at any one time for any one emergency public project shall not exceed five hundred thousand dollars (\$500,000). Emergency public projects are not required to obtain the specific authorization by law required in Sections 6-21-6 and 6-21-8 NMSA 1978; however, each emergency public project must be specifically designated as such by the authority with the concurrence of the New Mexico finance authority oversight committee and the legislative finance committee prior to the acquisition of securities or the making of a loan to a qualified entity for the emergency public project. The aggregate amount of loans for emergency public projects that

may be made by the authority in any one fiscal year may not exceed three million dollars (\$3,000,000). "

Section 3. Section 6-21A-1 NMSA 1978 (being Laws 1997, Chapter 144, Section 1) is amended to read:

"6-21A-1. SHORT TITLE. -- Chapter 6, Article 21A NMSA 1978 may be cited as the "Drinking Water State Revolving Loan Fund Act". "

Section 4. A new section of the Drinking Water State Revolving Loan Fund Act, Section 6-21A-6.1 NMSA 1978, is enacted to read:

"6-21A-6.1. WATER AND WASTEWATER FACILITY GRANT FUND-- CREATION-- ADMINISTRATION-- PURPOSES. --

A. The "water and wastewater facility grant fund" is created in the authority. The water and wastewater facility grant fund shall be administered by the authority, and the authority is authorized to establish procedures required to administer the fund.

B. The following shall be deposited directly into the water and wastewater facility grant fund:

(1) the net proceeds from the sale of bonds issued pursuant to the provisions of Section 6-21-6.1 NMSA 1978 for the purposes of the Drinking Water State Revolving Loan Fund Act for the water and wastewater facility grant fund and payable from the public project revolving fund;

(2) money appropriated by the legislature to

implement the provisions of this section; and

(3) any other public or private money dedicated to the water and wastewater facility grant fund.

C. Money in the water and wastewater facility grant fund is appropriated for expenditure by the authority for the purpose of providing grants to local authorities for the construction or rehabilitation of drinking water facilities or wastewater facilities.

D. The authority shall establish procedures to provide grants from the water and wastewater facility grant fund to local authorities for the construction or rehabilitation of drinking water facilities or wastewater facilities. The procedures shall provide that:

(1) grants from the water and wastewater facility grant fund shall not exceed fifty thousand dollars (\$50,000) per project;

(2) grants from the water and wastewater facility grant fund may be made only to local authorities that are unable to repay a loan from the public project revolving fund made pursuant to the provisions of the New Mexico Finance Authority Act or from the drinking water state revolving loan fund made pursuant to the provisions of the Drinking Water State Revolving Loan Fund Act; and

(3) each grant from the water and wastewater facility grant fund may be made only as all or a part of a

complete project financing.

E. Grants from the water and wastewater facility grant fund may be made only with the concurrence of the New Mexico finance authority oversight committee and the legislative finance committee.

F. As used in this section, "wastewater facility" has the same meaning as assigned to that defined term in the Wastewater Facility Construction Loan Act.

G. The authority is authorized to enter into memoranda of understanding, contracts and other agreements to carry out the provisions of this section, including but not limited to memoranda of understanding, contracts and agreements with state and federal agencies, local authorities and other parties."

Section 5. NEW MEXICO FINANCE AUTHORITY--REVENUE BONDS--AUTHORIZATION OF FINANCING FOR THE WATER AND WASTEWATER FACILITY GRANT FUND--APPROPRIATION OF PROCEEDS.--

A. Pursuant to the provisions of Section 6-21-6.1 NMSA 1978, the legislature authorizes the New Mexico finance authority to issue and sell revenue bonds in an amount not to exceed two hundred fifty thousand dollars (\$250,000), to be repaid from the public project revolving fund, for the purpose of providing grants of up to fifty thousand dollars (\$50,000) from the water and wastewater facility grant fund for the construction or rehabilitation of drinking water

facilities or wastewater facilities.

B. The net proceeds from the sale of the bonds are appropriated to the water and wastewater facility grant fund for the purposes described in Section 6-21A-6.1 NMSA 1978.