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SENATE BILL 382

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

MANNY M ARAGON

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE.

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

Underscored material = new
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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 13, 1998
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8 Mr. President:
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10 Your FINANCE COMMITTEE, to whom has been referred
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12 SENATE BILL 382
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14 has had it under consideration and reports same with
15 recommendation that it DO NOT PASS, but that
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18 SENATE FINANCE COMMITTEE SUBSTITUTE FOR

19 SENATE BILL 382
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21 DO PASS, and thence referred to the COMMITTEES' COMMITTEE.
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23 Respectfully submitted,
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Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Carraro, Eisenstadt, Ingle, Lyons, McKibben

Absent: None

S0382FC1

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 382

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
AUTHORIZING THE ISSUANCE OF NEW MEXICO FINANCE AUTHORITY
REVENUE BONDS FOR THE CRITICAL CAPITAL OUTLAY NEEDS OF PUBLIC
SCHOOLS WITH A SIGNIFICANT MAJORITY OF NATIVE AMERICAN
STUDENTS; PROVIDING POWERS AND DUTIES; DISTRIBUTING A PORTION
OF THE GROSS RECEIPTS TAX TO A SPECIAL FUND AND PLEDGING THE
REVENUES FOR THE PAYMENT OF BONDS; MAKING AN APPROPRIATION.

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

Section 1. A new section of the Tax Administration Act
is enacted to read:

"[NEW MATERIAL] DISTRIBUTION--GROSS RECEIPTS TAX--INDIAN
SCHOOL BONDING FUND.--A distribution pursuant to Section
7-1-6.1 NMSA 1978 shall be made to the Indian school bonding
fund in the New Mexico finance authority in the amount of four

. 123185. 2

hundred sixteen thousand six hundred sixty-seven dollars
(\$416,667) of the net receipts attributable to the gross
receipts tax imposed pursuant to the Gross Receipts and
Compensating Tax Act. "

Section 2. A new section of the Public School Capital
Outlay Act is enacted to read:

"[NEW MATERIAL] CRITICAL CAPITAL OUTLAY NEEDS OF INDIAN
PUBLIC SCHOOLS-- DISTRIBUTION. --

A. Upon a determination by the New Mexico finance
authority that an amount of money is available, the council
shall approve applications for grant assistance for Indian
public schools when the council:

(1) determines the critical capital outlay needs
of Indian public schools;

(2) determines that the school district has used
its resources in a prudent manner; and

(3) has sought and received information and
advice from representatives of Indian nations, tribes and
pueblos in New Mexico regarding the critical capital outlay
needs of Indian public schools.

B. The council shall allocate grants for capital
outlay projects that meet the project evaluation criteria of
the council pursuant to the Public School Capital Outlay Act;
provided that the evaluation criteria shall not include tax
effort by the school district.

C. Upon a determination of the capital outlay grants
pursuant to Subsection A of this section, the department of
education shall certify to the New Mexico finance authority

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1 the need for the issuance of the bonds authorized pursuant to
2 Section 3 of this act.

3 D. As used in this section, "Indian public school"
4 means a public school with a school membership of at least
5 seventy percent Native Americans."

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

8 "[NEW MATERIAL] AUTHORIZATION OF NEW MEXICO FINANCE
9 AUTHORITY REVENUE BONDS--INDIAN PUBLIC SCHOOL CAPITAL OUTLAY
10 PROJECTS--INDIAN SCHOOL BONDING FUND--APPROPRIATION. --

11 A. The "Indian school bonding fund" is created within
12 the authority. The fund shall be administered by the authority
13 as a separate account, and the authority may create such
14 subaccounts as the authority deems necessary to carry out the
15 purposes of the fund. The authority is authorized to establish
16 procedures as required to administer the fund in accordance with
17 the New Mexico Finance Authority Act.

18 B. The Indian school bonding fund shall consist of
19 gross receipts tax revenues distributed to the fund pursuant to
20 the Tax Administration Act.

21 C. The New Mexico finance authority shall report
22 annually to the public school capital outlay council the amount
23 of money available for Indian public school capital outlay
24 projects. The authority is authorized to issue and sell revenue
25 bonds in compliance with the New Mexico Finance Authority Act in

underscored material = new
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1 installments or at one time, that in the aggregate do not exceed
2 an outstanding principal amount at any one time of forty million
3 dollars (\$40,000,000), for Indian public school capital outlay
4 projects when the state department of public education certifies
5 the need for issuance of the bonds. The net proceeds from the
6 sale of the bonds are appropriated to the state department of
7 public education for distribution to Indian public schools in
8 amounts and for purposes determined by the public school capital
9 outlay council pursuant to the Public School Capital Outlay Act.

10 D. Money in the Indian school bonding fund not needed
11 for immediate disbursement, including any money held in reserve,
12 may be deposited with the state treasurer for short-term
13 investment pursuant to Section 6-10-10.1 NMSA 1978 or may be
14 invested in direct and general obligations of or obligations
15 fully and unconditionally guaranteed by the United States,
16 obligations issued by agencies of the United States, obligations
17 of this state or any political subdivision of the state,
18 interest-bearing time deposits, commercial paper issued by
19 corporations organized and operating in the United States and
20 rated "prime" quality by a national rating service or as
21 otherwise provided by the trust indenture or bond resolution, if
22 money in the fund is pledged for or to secure payment of bonds
23 issued by the authority.

24 E. The authority shall establish fiscal controls and
25 accounting procedures that are sufficient to ensure proper

1 accounting for Indian school bonding fund payments, disbursements
2 and balances.

3 F. At the end of any fiscal year, after all debt
4 service charges, establishment or replenishment of reserves and
5 other costs of or related to all outstanding revenue bonds, notes
6 or other obligations payable from the Indian school bonding fund
7 are satisfied, the balances remaining in the fund shall be
8 available for grant assistance for critical capital outlay needs
9 of Indian public schools pursuant to the provisions of the Public
10 School Capital Outlay Act.

11 G. The authority shall pledge irrevocably all of the
12 gross receipts tax revenues distributed to the Indian school
13 bonding fund pursuant to the Tax Administration Act for payment
14 of the principal, interest and other expenses or obligations
15 related to the revenue bonds issued by the authority for Indian
16 public school capital outlay projects.

17 H. A law that imposes the gross receipts tax or that
18 affects the gross receipts tax or that requires distribution of a
19 portion of the gross receipts tax to the authority for payment of
20 revenue bonds for Indian public school capital outlay, or a law
21 supplemental to or otherwise pertaining to the tax, shall not be
22 amended, repealed or otherwise directly or indirectly modified so
23 as to impair outstanding revenue bonds that may be secured by a
24 pledge of the distributions to the authority, unless the revenue
25 bonds have been discharged in full or provisions have been made

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1 for a full discharge.

2 I. The revenue bonds issued by the authority pursuant
3 to this section shall constitute a special limited obligation of
4 the authority, payable solely from the revenues distributed to
5 the authority for deposit in a special bond fund or account of
6 the authority for payment of bonds for Indian public school
7 capital outlay, and shall never constitute or be contrued as a
8 debt or general obligation of the state or any political
9 subdivision of the state under the laws or the constitution of
10 New Mexi co. "

11 Section 4. EFFECTIVE DATE. --The effective date of the
12 provisions of Section 1 of this act is July 1, 1998.

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SFC/SB 382

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FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998

February 14, 1998

Mr. President:

Your COMMITTEES' COMMITTEE, to whom has been referred

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 382

has had it under consideration and finds same to be GERMANE, in
accordance with constitutional provisions.

Respectfully submitted,

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Manny M. Aragon, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

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SFC/SB 382

**FORTY-THIRD LEGISLATURE
SECOND SESSION, 1998**

February 18, 1998

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has been referred

**SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 382**

has had it under consideration and reports same with recommendation that it DO PASS, and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

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1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998

3 HTRC/CS/SB 382

Page 13

4 Jerry W. Sandel, Chairman

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7 Adopted _____ Not Adopted _____
8 (Chief Clerk) (Chief Clerk)

9
10 Date _____

11
12 The roll call vote was 9 For 1 Against

13 Yes: 9

14 No: Parsons

15 Excused: Crook, Russell, Sandel

16 Absent: None

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