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HOUSE BILL 18

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Joe Nestor Chavez

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

AN ACT

RELATING TO FINANCE; AMENDING THE NEW MEXICO FINANCE AUTHORITY
ACT TO ALLOW PERMANENT EQUIPMENT LOANS FROM THE PUBLIC PROJECT
REVOLVING FUND; DECLARING AN EMERGENCY.

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

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

"6-21-6. PUBLIC PROJECT REVOLVING FUND--PURPOSE--
ADMINISTRATION. --

A. The "public project revolving fund" is created
within the authority. The fund shall be administered by the
authority as a separate account, but may consist of such
subaccounts as the authority deems necessary to carry out the
purposes of the fund. The authority is authorized to
establish procedures and adopt regulations as required to

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1 administer the fund in accordance with the New Mexico Finance
2 Authority Act.

3 B. Except as otherwise provided in the New Mexico
4 Finance Authority Act, money from payments of principal of and
5 interest on loans and payments of principal of and interest on
6 securities held by the authority for public projects
7 authorized specifically by law shall be deposited in the
8 public project revolving fund. The fund shall also consist of
9 any other money appropriated, distributed or otherwise
10 allocated to the fund for the purpose of financing public
11 projects authorized specifically by law.

12 C. Money appropriated to pay administrative costs,
13 money available for administrative costs from other sources
14 and money from payments of interest on loans or securities
15 held by the authority, including payments of interest on loans
16 and securities held by the authority for public projects
17 authorized specifically by law, that represents payments for
18 administrative costs shall not be deposited in the public
19 project revolving fund and shall be deposited in a separate
20 account of the authority and may be used by the authority to
21 meet administrative costs of the authority.

22 D. Except as otherwise provided in the New Mexico
23 Finance Authority Act, money in the public project revolving
24 fund is appropriated to the authority to make loans [or
25 grants] and to purchase or sell securities to assist qualified

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1 entities in financing public projects in accordance with the
2 New Mexico Finance Authority Act and pursuant to specific
3 authorization by law for each project.

4 E. Money in the public project revolving fund not
5 needed for immediate disbursement, including [~~any funds~~] money
6 held in reserve, may be deposited with the state treasurer for
7 short-term investment pursuant to Section 6-10-10.1 NMSA 1978
8 or may be invested in direct and general obligations of or
9 obligations fully and unconditionally guaranteed by the United
10 States, obligations issued by agencies of the United States,
11 obligations of this state or any political subdivision of the
12 state, interest-bearing time deposits, commercial paper issued
13 by corporations organized and operating in the United States
14 and rated "prime" quality by a national rating service, other
15 investments permitted by Section 6-10-10 NMSA 1978 or as
16 otherwise provided by the trust indenture or bond resolution,
17 if [~~funds are~~] money is pledged for or [~~secure~~] secures
18 payment of bonds issued by the authority.

19 F. The authority shall establish fiscal controls
20 and accounting procedures that are sufficient to assure proper
21 accounting for public project revolving fund payments,
22 disbursements and balances.

23 G. Money on deposit in the public project
24 revolving fund may be used to make interim loans for a term
25 not exceeding one year to qualified entities for the purpose

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1 of providing interim financing for any project approved or
2 funded by the legislature.

3 H. Money on deposit in the public project
4 revolving fund may be used to acquire securities or to make
5 loans to qualified entities in connection with the equipment
6 program. As used in this subsection, "equipment program"
7 means the program of the authority designed to finance the
8 acquisition of equipment for fire protection; law enforcement
9 and protection; computer and data processing; street and road
10 construction and maintenance; emergency medical services;
11 solid waste collection, transfer and disposal; radio and
12 telecommunications; and utility system purposes; and to
13 finance the acquisition, construction and improvement of fire
14 stations. The amount of securities acquired from or the loan
15 made to a qualified entity at any one time pursuant to this
16 subsection shall not exceed five hundred thousand dollars
17 (\$500,000). The authority may provide financing in connection
18 with the equipment program in the following ways:

- 19 (1) the authority may provide financing on an
20 interim basis. Permanent financing for these temporarily
21 funded projects must be obtained within one year. Such
22 permanent financing may be provided from the public project
23 revolving fund subject to the provisions of Paragraph (2) of
24 this subsection or subject to specific authorization by law.
25 If permanent financing for these projects is not provided from

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1 the public project revolving fund, the authority shall issue
2 bonds within one year of the date the securities are acquired
3 or within one year of the date on which the loans are made and
4 use the bond proceeds to reimburse the public project
5 revolving fund for the amounts temporarily used to acquire
6 securities or to make loans. The temporarily funded projects
7 under the equipment program are not required to obtain
8 specific authorization by law required of projects permanently
9 funded from the public project revolving fund, as provided in
10 this section and Section 6-21-8 NMSA 1978; or

11 (2) the authority may, up to an aggregate
12 limit of three million dollars (\$3,000,000) in each fiscal
13 year, provide permanent financing from the public project
14 revolving fund for projects in the equipment program. Such
15 permanently financed projects in the equipment program are not
16 required to obtain specific authorization by law as provided
17 in this section and Section 6-21-8 NMSA 1978.

18 I. Money on deposit in the public project
19 revolving fund may be designated as a reserve [~~funds~~] for any
20 bonds issued by the authority, including bonds payable from
21 sources other than the public project revolving fund, and the
22 authority may covenant in any bond resolution or trust
23 indenture to maintain and replenish the reserve [~~funds~~] from
24 money deposited in the public project revolving fund after
25 issuance of bonds by the authority. "

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 February 3, 1999
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8 Mr. Speaker:
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10 Your TAXATION AND REVENUE COMMITTEE, to whom has
11 been referred
12

13 HOUSE BILL 18
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15 has had it under consideration and reports same with
16 recommendation that it DO PASS, amended as follows:

- 17 1. On page 5, line 11, after the comma insert "with the
18 concurrence of the New Mexico finance authority oversight
19 committee and".
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

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Page 8

Respectfully submitted,

Jerry W. Sandel, Chairman

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 12 For 2 Against

Yes: 12

No: Burpo, Russell

Excused: Lujan

Absent: None

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FORTY-FOURTH LEGISLATURE
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March 3, 1999

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Mr. President:

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Your FINANCE COMMITTEE, to whom has been referred

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HOUSE BILL 18, as amended

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

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Respectfully submitted,

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Ben D. Altamirano, Chairman

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

1 HB 18

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Adopted _____ Not

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Adopted _____

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(Chief Clerk)

(Chief Clerk)

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Date _____

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The roll call vote was 8 For 0 Against

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Yes: 8

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No: 0

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Excused: Campos, Griego, Lyons, Rodriguez, Tsosie

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Absent: None

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