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**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO THE NEW MEXICO FINANCE AUTHORITY; AMENDING THE  
STATEWIDE ECONOMIC DEVELOPMENT FINANCE ACT TO ALLOW FINANCING  
OF STANDARD PROJECTS WITHOUT PRIOR LEGISLATIVE APPROVAL.

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

**SECTION 1.** 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. State 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,

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1 rules of the authority relating to state projects shall include  
2 provisions to ensure achievement of the economic development  
3 goals of the state project and shall describe the means of  
4 recovering public money or other public resources if an  
5 eligible entity defaults on its obligations to the authority.

6 C. Standard projects shall be approved by the  
7 authority pursuant to rules approved by the New Mexico finance  
8 authority oversight committee.

9 D. The authority may:

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

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

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

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

24 (5) make, execute and enforce all contracts  
25 necessary, convenient or desirable for purposes of the

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1 authority or pertaining to project revenue bonds, economic  
2 development revolving fund bonds, loans, loan participations or  
3 loan guarantees and the Statewide Economic Development Finance  
4 Act and pay the reasonable value of services rendered to the  
5 authority pursuant to the contracts;

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

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

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

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

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

25 (11) employ architects, engineers, accountants

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1 and attorneys; construction and financial experts; and such  
2 other advisors, consultants and agents as may be necessary in  
3 its judgment, and fix and pay their compensation;

4 (12) to the extent allowed under its contracts  
5 with the holders of bonds of the authority, consent to  
6 modification of the rate of interest, time and payment of  
7 installments of principal or interest, security or any other  
8 term of financing assistance;

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

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

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

19 E. The authority shall adopt rules subject to  
20 approval of the New Mexico finance authority oversight  
21 committee to:

22 (1) establish procedures for applying for  
23 financing assistance;

24 (2) establish credit qualifications for  
25 eligible entities and establish terms and conditions for

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- 1 financing assistance;
- 2 (3) establish economic development goals for
- 3 projects in consultation with the department;
- 4 (4) establish methods for determining
- 5 quantifiable benefits;
- 6 (5) provide safeguards to protect public money
- 7 and other public resources provided for a state project;
- 8 (6) establish procedures by which the
- 9 authority requests approval by law for state projects receiving
- 10 financing assistance with money in the fund; and
- 11 (7) establish fees to pay the costs of
- 12 evaluating, originating and administering financing assistance.
- 13 F. The authority shall coordinate with the
- 14 department to provide staffing and other assistance to the
- 15 department in carrying out the department's responsibilities
- 16 and activities pursuant to the Statewide Economic Development
- 17 Finance Act."