

FORTY-SIXTH LEGISLATURE  
FIRST SESSION

March 17, 2003

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has been referred

SENATE FINANCE COMMITTEE SUBSTITUTE FOR  
SENATE BILLS 804, 336, 717 & 835, as amended

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

1. Strike Senate Floor Amendment 1.
2. On page 1, line 13, after the semicolon insert "CREATING THE CREDIT ENHANCEMENT ACCOUNT TO FACILITATE THE ISSUANCE OF REVENUE BONDS;".
3. On page 1, line 13, before the period insert "; DECLARING AN EMERGENCY".
4. On page 3, line 2, strike the closing quotation mark and between lines 2 and 3, insert the following new subsection to read:

"G. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to fifteen and ninety-five hundredths percent of the net receipts, exclusive of penalties and interest, attributable to the cigarette tax shall be made to the New Mexico finance authority for deposit in the credit enhancement account created in the authority."".
5. On page 7, after line 25, insert the following new

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section to read:

"Section 5. A new section of the New Mexico Finance Authority Act is enacted to read:

"[NEW MATERIAL] CREDIT ENHANCEMENT ACCOUNT CREATED-- USE OF ACCOUNT-- RELEASE OF MONEY TO THE GENERAL FUND. --

A. The credit enhancement account is created as a separate account within the authority for use only as provided in this section.

B. All cigarette tax proceeds distributed each month to the authority pursuant to Subsection G of Section 7-1-6.11 NMSA 1978 shall be deposited in the credit enhancement account.

C. Amounts deposited in the credit enhancement account may be pledged irrevocably as additional security for the payment of the principal, interest, premiums and expenses on bonds issued by the authority for:

(1) designing, constructing, equipping and furnishing additions and improvements to the university of New Mexico hospital and the cancer research and treatment center at the university of New Mexico health sciences center; and

(2) improvements to department of health facilities.

D. The authority shall determine monthly upon receipt of cigarette tax proceeds if the individual amounts of cigarette tax proceeds distributed pursuant to Subsection E or Subsection F, respectively, of Section 7-1-6.11 NMSA 1978 are sufficient to meet the monthly amount required for immediate payment or designation for payment of principal, interest, premiums and expenses on bonds additionally secured by the credit enhancement

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account. Any insufficient amount shall be paid immediately from the credit enhancement account. A payment from the credit enhancement account shall be reimbursed in succeeding months from the individual amount of cigarette tax proceeds distributed pursuant to Subsection E or Subsection F, as applicable, of Section 7-1-6.11 NMSA 1978 in excess of the amount required for immediate payment or designation for payment of principal, interest, premiums and expenses on bonds. All money in the credit enhancement account in excess of the monthly amount required for immediate payment or designation for payment of principal, interest, premiums and expenses on bonds shall be transferred monthly by the authority to the general fund.

E. Upon payment of all principal, interest, premiums and expenses on bonds additionally secured by a pledge of amounts deposited in the credit enhancement account, the authority shall certify to the secretary of taxation and revenue that all obligations for bonds have been fully discharged and shall direct the secretary of taxation and revenue and the state treasurer to cease distributing cigarette tax proceeds to the authority pursuant to Subsection G of Section 7-1-6.11 NMSA 1978 and to distribute those cigarette tax proceeds to the general fund.

F. Any law authorizing the imposition, collection or distribution of the cigarette tax or that affects the cigarette tax shall not be amended, repealed or otherwise directly or indirectly modified so as to impair any outstanding revenue bonds that may be secured by a pledge of those cigarette tax proceeds distributed to the credit enhancement account, unless the revenue bonds have been discharged in full or provisions have been made for a full discharge. "".

6. Renumber the succeeding section accordingly.

7. On page 8, line 5, strike "1, 3 and 4" and insert in lieu thereof "1 and 3 through 5".

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8. On page 8, between lines 5 and 6, insert the following new section:

"Section 7. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately. ". ,

and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

\_\_\_\_\_  
Donald L. Whitaker, Chairman

Adopted \_\_\_\_\_  
(Chief Clerk)

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

Date \_\_\_\_\_

The roll call vote was 10 For 4 Against

Yes: 10

No: Crook, Thomas C. Taylor, Tripp, White

Excused: None

Absent: Arnold-Jones, Boykin

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