

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

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE CIGARETTE TAX;
MODIFYING DISTRIBUTIONS OF CIGARETTE TAX REVENUE; AUTHORIZING
THE ISSUANCE OF REVENUE BONDS; MAKING APPROPRIATIONS.

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

Section 1. Section 7-1-6.11 NMSA 1978 (being Laws 1983,
Chapter 211, Section 16, as amended) is amended to read:

"7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES. --

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the county and municipality recreational
fund in an amount equal to ~~[four and three quarters]~~ one and
thirty-six hundredths percent of the net receipts, exclusive of
penalties and interest, attributable to the cigarette tax.

B. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the county and municipal cigarette tax

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1 fund in an amount equal to [~~nine and one-half~~] two and seventy-
2 two hundredths percent of the net receipts, exclusive of
3 penalties and interest, attributable to the cigarette tax.

4 C. A distribution pursuant to Section 7-1-6.1 NMSA
5 1978 shall be made to the cancer research and treatment center
6 at the university of New Mexico [~~school of medicine~~] health
7 sciences center in an amount equal to [~~four and three-quarters~~]
8 one and thirty-six hundredths percent of the net receipts,
9 exclusive of penalties and interest, attributable to the
10 cigarette tax.

11 D. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the New Mexico finance authority in an
13 amount equal to [~~seven and one-eighth~~] two and four-hundredths
14 percent of the net receipts, exclusive of penalties and
15 interest, attributable to the cigarette tax.

16 E. A distribution pursuant to Section 7-1-6.1 NMSA
17 1978 in an amount equal to fourteen and fifty-two hundredths
18 percent of the net receipts, exclusive of penalties and
19 interest, attributable to the cigarette tax, shall be made, on
20 behalf of and for the benefit of the university of New Mexico
21 health sciences center, to the New Mexico finance authority.

22 F. A distribution pursuant to Section 7-1-6.1 NMSA
23 1978 in an amount equal to six and eleven-hundredths percent of
24 the net receipts, exclusive of penalties and interest,
25 attributable to the cigarette tax shall be made to the New

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1 Mexico finance authority for improvements to department of
2 health facilities."

3 Section 2. Section 7-12-3 NMSA 1978 (being Laws 1971,
4 Chapter 77, Section 3, as amended) is amended to read:

5 "7-12-3. EXCISE TAX ON CIGARETTES--RATES.--

6 A. For the privilege of selling, giving or
7 consuming cigarettes in New Mexico, there is levied an excise
8 tax at the rate of [~~one and five hundredths cents (\$.0105)~~]
9 four and fifty-five hundredths cents (\$.0455) for each
10 cigarette sold, given or consumed in this state.

11 B. The tax imposed by this section shall be
12 referred to as the "cigarette tax".

13 Section 3. [NEW MATERIAL] NEW MEXICO FINANCE AUTHORITY
14 REVENUE BONDS--PURPOSE--APPROPRIATION.--

15 A. The New Mexico finance authority may issue and
16 sell revenue bonds in compliance with the New Mexico Finance
17 Authority Act for a term not exceeding fifteen years in an
18 amount not exceeding sixty million dollars (\$60,000,000) for
19 the purpose of designing, constructing, equipping and
20 furnishing additions and improvements to the university of New
21 Mexico hospital and the cancer research and treatment center at
22 the university of New Mexico health sciences center.

23 B. The New Mexico finance authority may issue and
24 sell revenue bonds authorized by this section when the vice
25 president for health sciences of the university of New Mexico

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1 certifies the need for issuance of the bonds. The net proceeds
2 from the sale of the bonds are appropriated to the health
3 sciences center of the university of New Mexico for the
4 purposes described in Subsection A of this section.

5 C. The cigarette tax proceeds distributed to the
6 New Mexico finance authority pursuant to Subsection E of
7 Section 7-1-6.11 NMSA 1978 shall be pledged irrevocably for the
8 payment of the principal, interest, premiums and related
9 expenses on the bonds and for payment of the expenses incurred
10 by the authority related to the issuance, sale and
11 administration of the bonds.

12 D. The cigarette tax proceeds distributed to the
13 New Mexico finance authority pursuant to Subsection E of
14 Section 7-1-6.11 NMSA 1978 shall be deposited each month in a
15 separate fund or account of the authority. Money in the
16 separate fund or account in excess of the monthly amount
17 necessary for immediate payment or designation for payment of
18 principal and interest due on the bonds is appropriated to the
19 university of New Mexico health sciences center and shall be
20 transferred each month to the university of New Mexico health
21 sciences center.

22 E. Upon payment of all principal, interest and
23 other expenses or obligations related to the bonds, the New
24 Mexico finance authority shall certify to the secretary of
25 taxation and revenue that all obligations for the bonds issued

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1 pursuant to this section have been fully discharged and shall
2 direct the secretary of taxation and revenue and the state
3 treasurer to cease distributing cigarette tax proceeds to the
4 authority pursuant to Subsection E of Section 7-1-6.11 NMSA
5 1978 and to distribute those cigarette tax proceeds to the
6 general fund.

7 F. Any law authorizing the imposition, collection
8 or distribution of the cigarette tax or that affects the
9 cigarette tax shall not be amended, repealed or otherwise
10 directly or indirectly modified so as to impair any outstanding
11 revenue bonds that may be secured by a pledge of those
12 cigarette tax revenues, unless the revenue bonds have been
13 discharged in full or provisions have been made for a full
14 discharge.

15 G. The New Mexico finance authority may
16 additionally secure the revenue bonds issued pursuant to this
17 section by a pledge of money in the public project revolving
18 fund with a lien priority on the money in the public project
19 revolving fund as determined by the authority.

20 Section 4. ~~[NEW MATERIAL]~~ NEW MEXICO FINANCE AUTHORITY
21 REVENUE BONDS--DEPARTMENT OF HEALTH FACILITIES--
22 APPROPRIATION. --

23 A. The New Mexico finance authority may issue and
24 sell revenue bonds in compliance with the New Mexico Finance
25 Authority Act for projects authorized specifically by law for
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1 improvements to department of health facilities.

2 B. The New Mexico finance authority may issue and
3 sell revenue bonds authorized by this section when the
4 secretary of finance and administration certifies the need for
5 issuance of the bonds. The net proceeds from the sale of the
6 bonds are appropriated to the capital program fund administered
7 by the property control division of the general services
8 department for the purposes described in Subsection A of this
9 section.

10 C. The cigarette tax proceeds distributed to the
11 New Mexico finance authority pursuant to Subsection F of
12 Section 7-1-6.11 NMSA 1978 shall be pledged irrevocably for the
13 payment of the principal, interest, premiums and related
14 expenses on the bonds and for payment of the expenses incurred
15 by the New Mexico finance authority related to the issuance,
16 sale and administration of the bonds.

17 D. The cigarette tax proceeds distributed to the
18 New Mexico finance authority pursuant to Subsection F of
19 Section 7-1-6.11 NMSA 1978 shall be deposited each month in a
20 separate fund or account of the authority. Money in the
21 separate fund or account in excess of the combined total of the
22 principal, interest and other expenses or obligations related
23 to the bonds coming due in that fiscal year is appropriated to
24 and shall be transferred to the capital program fund for
25 capital improvements to department of health facilities

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1 recommended by the secretary of health and approved by the
2 secretary of finance and administration.

3 E. Upon payment of all principal, interest and
4 other expenses or obligations related to the bonds, the New
5 Mexico finance authority shall certify to the secretary of
6 taxation and revenue that all obligations for the bonds issued
7 pursuant to this section have been fully discharged and shall
8 direct the secretary of taxation and revenue and the state
9 treasurer to cease distributing cigarette tax proceeds to the
10 authority pursuant to Subsection F of Section 7-1-6.11 NMSA
11 1978 and to distribute those cigarette tax proceeds to the
12 general fund.

13 F. Any law authorizing the imposition, collection
14 or distribution of the cigarette tax or that affects the
15 cigarette tax shall not be amended, repealed or otherwise
16 directly or indirectly modified so as to impair any outstanding
17 revenue bonds that may be secured by a pledge of those
18 cigarette tax revenues, unless the revenue bonds have been
19 discharged in full or provisions have been made for a full
20 discharge.

21 G. The New Mexico finance authority may
22 additionally secure the revenue bonds issued pursuant to this
23 section by a pledge of money in the public project revolving
24 fund with a lien priority on the money in the public project
25 revolving fund as determined by the authority.

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