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SENATE BILL 198

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

MARY JANE M GARCIA

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

AN ACT

RELATING TO PRIMARY CARE; AMENDING SECTIONS OF THE NMSA 1978
PERTAINING TO SECURING LOANS FOR CAPITAL PROJECTS; REPEALING
SECTIONS OF THE NMSA 1978.

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

Section 1. Section 24-1C-1 NMSA 1978 (being Laws 1994,
Chapter 62, Section 7) is amended to read:

"24-1C-1. SHORT TITLE. -- [~~Sections 7 through 16 of this
act~~] Chapter 24, Article 1C NMSA 1978 may be cited as the
"Primary Care Capital Funding Act". "

Section 2. Section 24-1C-6 NMSA 1978 (being Laws 1994,
Chapter 62, Section 12) is amended to read:

"24-1C-6. DEPARTMENT-- AUTHORITY-- POWERS AND DUTIES. --

A. The department and the authority shall administer
the loan programs and contracts for services established

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1 pursuant to the provisions of the Primary Care Capital Funding
2 Act. The department and authority shall:

3 (1) enter into joint powers agreements with
4 each other or other appropriate public agencies to carry out the
5 provisions of that act; and

6 (2) apply to any appropriate federal, state or
7 local governmental agency or private organization for grants and
8 gifts to carry out the provisions of that act or to fund allied
9 community-based health care programs.

10 B. The department or authority may, instead of a
11 loan, contract for services with an eligible entity to provide
12 free or reduced fee primary care services for sick and medically
13 indigent persons as reasonably adequate legal consideration for
14 money from the fund to the entity so it may acquire or construct
15 a capital project to provide the services.

16 C. The department and authority may:

17 (1) make and enter into contracts and
18 agreements necessary to carry out their powers and duties
19 pursuant to the provisions of the Primary Care Capital Funding
20 Act; and

21 (2) do all things necessary or appropriate to
22 carry out the provisions of the Primary Care Capital Funding
23 Act.

24 D. The authority is responsible for all financial
25 duties of the programs, including:

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- 1 (1) administering the fund;
- 2 (2) accounting for all money received,
- 3 controlled or disbursed for capital projects in accordance with
- 4 the provisions of the Primary Care Capital Funding Act;
- 5 (3) evaluating and approving loans and
- 6 contracts for services, including determining financial capacity
- 7 of an eligible entity;
- 8 (4) enforcing contract provisions of loans and
- 9 contracts for services, including the ability to sue to recover
- 10 money or property owed the state;
- 11 (5) determining interest rates and other
- 12 financial aspects of a loan and relevant terms of a contract for
- 13 services; and
- 14 (6) performing other duties in accordance with
- 15 the provisions of the Primary Care Capital Funding Act,
- 16 regulations promulgated pursuant to that act or joint powers
- 17 agreements entered into with the department.

18 E. The department is responsible for programmatic
19 duties, including:

- 20 (1) defining sick and medically indigent
- 21 persons for purposes of the Primary Care Capital Funding Act;
- 22 (2) establishing priorities for loans and
- 23 contracts for services;
- 24 (3) determining the appropriateness of the
- 25 capital project;

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1 (4) evaluating the capability of an applicant
2 to provide and maintain primary care or hospice services;

3 (5) selecting recipients of loans and persons
4 with whom to contract for services;

5 (6) determining that capital projects comply
6 with all state and federal licensing requirements; and

7 (7) contracting with an eligible entity to
8 provide primary care services without charge or at a reduced fee
9 for sick and medically indigent persons as defined by the
10 department.

11 F. The authority may make a loan to an eligible
12 entity to acquire [øæ], construct, repair or otherwise improve
13 a capital project, provided there is a finding:

14 (1) by the department that the project will
15 provide primary care services to sick and medically indigent
16 persons as defined by the department; and

17 (2) by the authority that there is adequate
18 protection through the use of real property liens, title
19 insurance, security interests in or pledges of accounts and
20 other assets, loan covenants and warranties, restrictions on
21 other encumbrances and pledges for the state funds extended for
22 the loan. "

23 Section 3. Section 24-1C-9 NMSA 1978 (being Laws 1994,
24 Chapter 62, Section 15) is amended to read:

25 "24-1C-9. ELIGIBLE ENTITY--CHANGE IN STATUS.--If an

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1 eligible entity that has received a loan or contract for
2 services for a capital project ceases to maintain its nonprofit
3 status or ceases to deliver primary care services at the site of
4 the capital project for twelve consecutive months, the state
5 ~~[shall have the following remedies at its option, subject to~~
6 ~~other liens having preference:~~

7 A. ~~order liquidation of the premises and recover any~~
8 ~~loan balance or amount due on the contract and any interest~~
9 ~~previously forgiven on the loan, imputed at the prevailing~~
10 ~~interest rate at the time of the loan; or~~

11 B. ~~foreclose on the property and convert it to state~~
12 ~~use or transfer title to another eligible entity] may pursue the~~
13 ~~remedies provided in the loan agreement or contract for~~
14 ~~services.~~ "

15 Section 4. REPEAL. -- Sections 24-1C-7 and 24-1C-8 NMSA 1978
16 (being Laws 1994, Chapter 62, Sections 13 and 14) are repealed.

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

SB 198/a

February 3, 1997

1
2 Mr. President:

3
4 Your JUDICIARY COMMITTEE, to whom has been referred

5
6 SENATE BILL 198

7
8 has had it under consideration and reports same with
9 recommendation that it DO PASS, amended as follows:

10
11 1. On page 3, line 18, strike "programmatic" and insert in lieu
12 thereof "the following".

13
14 2. On page 3, line 19, strike ", including".

15
16 3. On page 4, line 6, after "licensing" insert "and
17 procurement".

18
19 4. On page 4, line 12, strike "repair" and insert in lieu
20 thereof "renovate".

21
22 5. On page 4, line 18, strike "through the use of" and insert
23 in lieu thereof "including but not limited to loan guarantees,".

24
25 6. On page 4, line 20, after "warranties" strike the comma
and insert in lieu thereof "or".

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

SJC/SB 198

Page 7

7. On page 5, line 14, after "services" insert "or as provided by law".

and thence referred to the WAYS & MEANS COMMITTEE.

Respectfully submitted,

Fernando R. Macias, Chairman

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

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

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SJC/SB 198

Page 8

Excused: Sanchez, Tsosie

Absent: None

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**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

SJC/SB 198

Page 9

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

February 10, 1997

Mr. President:

Your **WAYS AND MEANS COMMITTEE**, to whom has been referred

SENATE BILL 198, as amended

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

Respectfully submitted,

Carlos R. Cisneros, Chairman

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

SJC/SB 198

Page 10

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

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Jennings, Kidd, McSorley, Nava

Absent: None

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State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 15, 1997

Mr. Speaker:

Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
been referred

SENATE BILL 198, as amended

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,

Fred Luna, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HBIC/SB 198

Page 12

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

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Getty, Rodella, Varela

Absent: None

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