

The Legislature
of the
State of New Mexico

50th Legislature, 1st Session

LAWS 2011

CHAPTER 150

SENATE BILL 454

Introduced by

SENATOR GEORGE K. MUÑOZ AND SENATOR MARY KAY PAPER



Chapter 150

AN ACT

RELATING TO THE NEW MEXICO FINANCE AUTHORITY; TEMPORARILY
REQUIRING REPORTING OF ECONOMIC DEVELOPMENT REVOLVING FUND
PROJECT AND FUND STATUS; TEMPORARILY REMOVING THE REQUIREMENT
FOR SPECIFIC PRIOR AUTHORIZATION OF PROJECTS FOR ECONOMIC
DEVELOPMENT REVOLVING FUND FUNDING.

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

C. Standard projects shall be approved by the

1 authority pursuant to rules approved by the New Mexico
2 finance authority oversight committee.

3 D. The authority may:

4 (1) issue project revenue bonds on behalf of
5 an eligible entity, payable from the revenues of a project
6 and other revenues authorized as security for the bonds, to
7 finance a project on behalf of an eligible entity;

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

11 (3) enter into loan participation agreements
12 from the fund for projects, whether in the form of an
13 interest rate buy-down, the purchase of loans or portions of
14 loans originated and underwritten by third-party lenders or
15 other similar arrangements;

16 (4) provide loan guarantees from the fund
17 for projects;

18 (5) make, execute and enforce all contracts
19 necessary, convenient or desirable for purposes of the
20 authority or pertaining to project revenue bonds, economic
21 development revolving fund bonds, loans, loan participations
22 or loan guarantees and the Statewide Economic Development
23 Finance Act and pay the reasonable value of services rendered
24 to the authority pursuant to the contracts;

25 (6) purchase and hold loans and loan

1 participations in the fund at prices and in a manner
2 determined by the authority;

3 (7) sell loans and loan participations
4 acquired or held by the authority in the fund at prices and
5 in a manner determined by the authority;

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

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

13 (10) fix, revise from time to time, charge
14 and collect fees and other charges in connection with the
15 issuance of bonds; the making, purchase, participation in or
16 guarantee of loans; and the review of proposed financing
17 assistance to an eligible entity, whether or not the
18 financing assistance is provided;

19 (11) employ architects, engineers,
20 accountants and attorneys; construction and financial
21 experts; and such other advisors, consultants and agents as
22 may be necessary in its judgment, and fix and pay their
23 compensation;

24 (12) to the extent allowed under its
25 contracts with the holders of bonds of the authority, consent

1 to modification of the rate of interest, time and payment of
2 installments of principal or interest, security or any other
3 term of financing assistance;

4 (13) consider the ability of the eligible
5 entity to secure financing for a project from other sources
6 and the costs of that financing;

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

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

14 E. The authority shall adopt rules subject to
15 approval of the New Mexico finance authority oversight
16 committee to:

17 (1) establish procedures for applying for
18 financing assistance;

19 (2) establish credit qualifications for
20 eligible entities and establish terms and conditions for
21 financing assistance;

22 (3) establish economic development goals for
23 projects in consultation with the department;

24 (4) establish methods for determining
25 quantifiable benefits;

1 (5) provide safeguards to protect public
2 money and other public resources provided for a state
3 project;

4 (6) establish procedures by which the
5 authority requests approval by law for state projects
6 receiving financing assistance with money in the fund; and

7 (7) establish fees to pay the costs of
8 evaluating, originating and administering financing
9 assistance.

10 F. The authority shall coordinate with the
11 department to provide staffing and other assistance to the
12 department in carrying out the department's responsibilities
13 and activities pursuant to the Statewide Economic Development
14 Finance Act.

15 G. The authority shall report no less than
16 quarterly to the legislature and the New Mexico finance
17 authority oversight committee on applications considered by
18 the authority for funding of standard projects; on projects
19 approved for funding by the authority; and on the status of
20 the economic development revolving fund, pursuant to rules of
21 the authority approved by the New Mexico finance authority
22 oversight committee."

23 SECTION 2. Section 6-25-6 NMSA 1978 (being Laws 2003,
24 Chapter 349, Section 6, as amended by Section 1 of this act)
25 is repealed and a new Section 6-25-6 NMSA 1978 is enacted to

1 read:

2 "6-25-6. NEW MEXICO FINANCE AUTHORITY--ADDITIONAL
3 POWERS AND DUTIES.--

4 A. To implement a program to assist eligible
5 entities in financing projects, the authority has the powers
6 specified in this section.

7 B. Projects receiving financing assistance with
8 money in the fund shall first be approved by law. To protect
9 public money in the fund or other public resources, rules of
10 the authority relating to state projects shall include
11 provisions to ensure achievement of the economic development
12 goals of the state project and shall describe the means of
13 recovering public money or other public resources if an
14 eligible entity defaults on its obligations to the authority.

15 C. Standard projects shall be approved by the
16 authority pursuant to rules approved by the New Mexico
17 finance authority oversight committee.

18 D. The authority may:

19 (1) issue project revenue bonds on behalf of
20 an eligible entity, payable from the revenues of a project
21 and other revenues authorized as security for the bonds, to
22 finance a project on behalf of an eligible entity;

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

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

6 (4) provide loan guarantees from the fund
7 for projects;

8 (5) make, execute and enforce all contracts
9 necessary, convenient or desirable for purposes of the
10 authority or pertaining to project revenue bonds, economic
11 development revolving fund bonds, loans, loan participations
12 or loan guarantees and the Statewide Economic Development
13 Finance Act and pay the reasonable value of services rendered
14 to the authority pursuant to the contracts;

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

18 (7) sell loans and loan participations
19 acquired or held by the authority in the fund at prices and
20 in a manner determined by the authority;

21 (8) prescribe the form of application or
22 procedure required of an eligible entity to apply for
23 financing assistance;

24 (9) fix the terms and conditions of the
25 financing assistance, including the priority of lien and type

1 of collateral or other security, and enter into agreements
2 with eligible entities with respect to financing assistance;

3 (10) fix, revise from time to time, charge
4 and collect fees and other charges in connection with the
5 issuance of bonds; the making, purchase, participation in or
6 guarantee of loans; and the review of proposed financing
7 assistance to an eligible entity, whether or not the
8 financing assistance is provided;

9 (11) employ architects, engineers,
10 accountants and attorneys; construction and financial
11 experts; and such other advisors, consultants and agents as
12 may be necessary in its judgment, and fix and pay their
13 compensation;

14 (12) to the extent allowed under its
15 contracts with the holders of bonds of the authority, consent
16 to modification of the rate of interest, time and payment of
17 installments of principal or interest, security or any other
18 term of financing assistance;

19 (13) consider the ability of the eligible
20 entity to secure financing for a project from other sources
21 and the costs of that financing;

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

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

4 E. The authority shall adopt rules subject to
5 approval of the New Mexico finance authority oversight
6 committee to:

7 (1) establish procedures for applying for
8 financing assistance;

9 (2) establish credit qualifications for
10 eligible entities and establish terms and conditions for
11 financing assistance;

12 (3) establish economic development goals for
13 projects in consultation with the department;

14 (4) establish methods for determining
15 quantifiable benefits;

16 (5) provide safeguards to protect public
17 money and other public resources provided for a state
18 project;

19 (6) establish procedures by which the
20 authority requests approval by law for projects receiving
21 financing assistance with money in the fund; and

22 (7) establish fees to pay the costs of
23 evaluating, originating and administering financing
24 assistance.

25 F. The authority shall coordinate with the

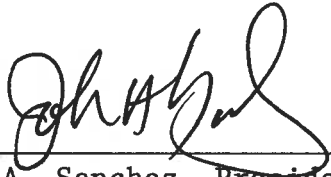
1 department to provide staffing and other assistance to the
2 department in carrying out the department's responsibilities
3 and activities pursuant to the Statewide Economic Development
4 Finance Act."

5 SECTION 3. EFFECTIVE DATE.--

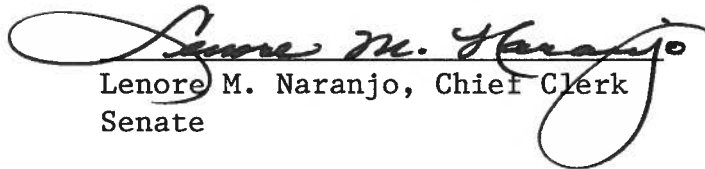
6 A. The effective date of the provisions of Section
7 1 of this act is July 1, 2011.

8 B. The effective date of the provisions of Section
9 2 of this act is July 1, 2013. _____

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John A. Sanchez, President
Senate



Lenore M. Naranjo, Chief Clerk
Senate

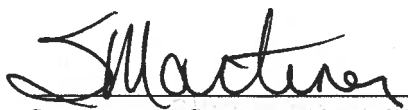


Ben Lujan, Speaker
House of Representatives



Stephen R. Arias, Chief Clerk
House of Representatives

Approved by me this 7th day of April, 2011



Governor Susana Martinez
State of New Mexico