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AN ACT

RELATING TO THE NEW MEXICO FINANCE AUTHORITY; PROVIDING FOR
STANDARD PROJECTS THAT RECEIVE ECONOMIC DEVELOPMENT REVOLVING
FUND FUNDING TO BE APPROVED FIRST BY LAW STARTING JULY 1,
2019; REPEALING AND REENACTING A SECTION OF THE NMSA 1978.

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

SECTION 1. That version of Section 6-25-6 NMSA 1978
(being Laws 2011, Chapter 150, Section 2, as amended by Laws
2013, Chapter 106, Section 2) that is to become effective on
July 1, 2016 is repealed and a new Section 6-25-6 NMSA 1978
is enacted 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

1 authority.

2 C. Standard projects receiving financing
3 assistance with money in the fund shall be approved by the
4 authority pursuant to rules approved by the New Mexico
5 finance authority oversight committee. Beginning July 1,
6 2019, standard projects shall first be approved by law.

7 D. The authority may:

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

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

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

20 (4) provide loan guarantees from the fund
21 for projects;

22 (5) make, execute and enforce all contracts
23 necessary, convenient or desirable for purposes of the
24 authority or pertaining to project revenue bonds, economic
25 development revolving fund bonds, loans, loan participations

1 or loan guarantees and the Statewide Economic Development
2 Finance Act and pay the reasonable value of services rendered
3 to the authority pursuant to the contracts;

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

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

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

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

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

23 (11) employ architects, engineers,
24 accountants and attorneys; construction and financial
25 experts; and such other advisors, consultants and agents as

1 may be necessary in its judgment, and fix and pay their
2 compensation;

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

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

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

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

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

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

23 (2) establish credit qualifications for
24 eligible entities and establish terms and conditions for
25 financing assistance;

1 (3) establish economic development goals for
2 projects in consultation with the department;

3 (4) establish methods for determining
4 quantifiable benefits;

5 (5) provide safeguards to protect public
6 money and other public resources provided for a state
7 project;

8 (6) establish procedures by which the
9 authority requests approval by law for 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
13 assistance.

14 F. The authority shall coordinate with the
15 department to provide staffing and other assistance to the
16 department in carrying out the department's responsibilities
17 and activities pursuant to the Statewide Economic Development
18 Finance Act.

19 G. The authority shall report to the New Mexico
20 finance authority oversight committee twice each year
21 regarding the total expenditures from the economic
22 development revolving fund for the previous fiscal year, the
23 purposes for which expenditures were made, an analysis of the
24 progress of the projects funded and proposals for legislative
25 action."

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SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2016. _____