

1 SENATE BILL 39

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 Sander Rue

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10 AN ACT

11 RELATING TO HIGHER EDUCATION BONDING; AMENDING THE COLLEGE
12 DISTRICT TAX ACT; ALLOWING FOR THE EXPENDITURE OF BOND PROCEEDS
13 ON COMPUTER HARDWARE AND SOFTWARE.

14
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 21-2A-1 NMSA 1978 (being Laws 1995,
17 Chapter 224, Section 7) is amended to read:

18 "21-2A-1. SHORT TITLE.--~~[Sections 7 through 16 of this~~
19 ~~act]~~ Sections 21-2A-1 through 21-2A-10 NMSA 1978 may be cited
20 as the "College District Tax Act"."

21 SECTION 2. Section 21-2A-6 NMSA 1978 (being Laws 1995,
22 Chapter 224, Section 12) is amended to read:

23 "21-2A-6. COLLEGE DISTRICT GENERAL OBLIGATION BONDS--
24 INTEREST--FORM--PAYMENT.--

25 A. Any board, other than a board created pursuant

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1 to the provisions of the Off-Campus Instruction Act, may borrow
2 money for the purpose of:

3 (1) erecting [~~and~~], furnishing, constructing,
4 purchasing, remodeling and equipping buildings and utility
5 facilities [~~and~~], exclusive of stadiums;

6 (2) making other real property improvements
7 [~~or for~~];

8 (3) purchasing grounds [~~exclusive of~~
9 ~~stadiums~~]; and

10 (4) purchasing and installing computer
11 hardware and software with a useful life equal to or exceeding
12 the maturity of the bonds.

13 B. To carry out the purposes of the College
14 District Tax Act, the board may issue negotiable [~~coupon~~]
15 general obligation bonds of the college district, if approved
16 by the [~~commission on~~] higher education department and then
17 approved at an election by a majority of the qualified electors
18 voting on the issue; provided, however, no bonds shall be
19 issued that create a total bonded indebtedness in the college
20 district in excess of three percent of the assessed valuation
21 of the taxable property within the college district as shown in
22 the preceding general assessment, which debt limitation is to
23 be in excess of other existing debt limitations. Bonds shall
24 be sold at a price that does not result in a net effective
25 interest rate exceeding the maximum net effective interest rate

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1 permitted by the Public Securities Act. The bonds shall be
2 sold ~~[and]~~ at a public sale or may be sold at private sale to
3 the state of New Mexico or the New Mexico finance authority at
4 the price and upon such terms and conditions as the board and
5 the state of New Mexico or the New Mexico finance authority may
6 determine. The bonds may be in such denominations and
7 registered and pay interest as the board determines. ~~[and the~~
8 ~~bonds and the attached coupons shall be payable to the bearer~~
9 ~~but may also be made registrable as to principal or as to~~
10 ~~principal and interest.~~

11 ~~B.]~~ C. The bonds shall be due and payable
12 ~~[serially]~~ either annually or semiannually commencing not later
13 than three years from their date. The bonds shall be issued
14 for a term of not ~~[less than five or]~~ more than twenty years.
15 The form and terms of the bonds, including provisions for their
16 payment and optional or mandatory redemption, shall be as
17 determined by the board. If the board so determines, the bonds
18 may be redeemable prior to maturity upon payment of a premium
19 not exceeding ~~[three]~~ one percent of the principal of the
20 bonds. The bonds shall be executed in the name of and on
21 behalf of the college district, signed by the ~~[chairman]~~ chair
22 of the board, with the seal of the college district affixed to
23 the bonds, and attested by the secretary of the board. The
24 bonds may be executed and sealed in accordance with the
25 provisions of the Uniform Facsimile Signature of Public

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1 Officials Act. [~~Interest coupons shall bear the original or~~
2 ~~facsimile signature of the chairman of the board.~~

3 ~~G.]~~ D. To provide for the payment of the interest
4 and principal of the bonds issued and sold pursuant to the
5 provisions of the College District Tax Act, upon approval of
6 the bonds at an election by a majority of the qualified
7 electors in the college district who voted on the issue, the
8 board of county commissioners shall annually make and levy,
9 during each year in which any bonds are outstanding, an ad
10 valorem tax on all taxable property in the district in an
11 amount sufficient to produce a sum equal to one year's interest
12 on all bonds then outstanding, together with an amount
13 sufficient to pay the principal on all bonds as they mature.
14 This levy shall not exceed five mills; provided, however, that
15 this five-mill limitation may be exceeded in any year in which
16 the valuation of the property within the college district
17 declines to a level lower than the valuation of the property in
18 the year in which the bonds were issued. The taxes authorized
19 by this subsection shall be levied, assessed and collected at
20 the times and in the manner that ad valorem taxes for school
21 districts are assessed, levied and collected, and it [~~shall be~~]
22 is the duty of all tax officials and authorities to cause taxes
23 authorized by this subsection to be levied, assessed and
24 collected.

25 [~~D.]~~ E. The proceeds obtained from the issuance of

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1 the bonds shall not be diverted or expended for any purposes
2 other than those provided in the College District Tax Act;
3 provided that no building shall be built without prior approval
4 of detailed plans by the [~~commission on~~] higher education
5 department; and further provided that the expenses incurred in
6 the preparation and sale of the bonds may be paid out of the
7 proceeds from the sale of the bonds.

8 [E.] F. Prior to the issuance and sale of bonds,
9 the attorney general shall approve all bond transcripts and
10 certify [~~his~~] approval or rejection thereof in the same manner
11 as is required by law for the approval of school bonds. Unless
12 otherwise specifically provided, the provisions of the College
13 District Tax Act for the issuance of bonds shall be deemed
14 exclusive of the provisions of all other laws."