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HOUSE BILL 334

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

JERRY W. SANDEL

AN ACT

RELATING TO BONDS; DELETING THE REQUIREMENT THAT BID NOTICE FOR SALE OF MUNICIPAL BONDS BE MAILED TO THE STATE INVESTMENT COUNCIL AND THE STATE TREASURER.

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

Section 1. Section 6-15-5 NMSA 1978 (being Laws 1929, Chapter 201, Section 3, as amended) is amended to read:

"6-15-5. SALE OF BONDS. --

A. Except as provided in Subsection B of this section, before any bonds issued by a municipal corporation [~~shall be~~] are offered for sale, the corporate authorities issuing the bonds shall designate the maximum rate of interest the bonds shall bear and shall designate the maximum net effective interest rate which shall not exceed the maximum permitted by the Public Securities Act [~~as hereafter amended and~~

Underscored material = new
[bracketed material] = delete

1 ~~supplemented~~. All the bonds shall be sold at public sale and a
2 notice calling for bids for the purchase of the bonds shall be
3 published once a week for two consecutive weeks in a newspaper
4 having local circulation. The notice shall specify a place and
5 designate a day and hour subsequent to the date of the
6 publication when sealed bids shall be received and publicly
7 opened for the purchase of the bonds. [~~A copy of the notice~~
8 ~~calling for bids shall, at least two weeks prior to the date~~
9 ~~fixed for the sale, be mailed to the state treasurer and the~~
10 ~~state investment council.~~] The notice shall specify the maximum
11 rate of interest the bonds shall bear, the maximum net effective
12 interest rate permitted for the bonds and the maximum discount
13 if a discount is allowed by the governing body and shall require
14 bidders to submit a bid specifying the lowest rate or rates of
15 interest and any premium or discount if allowed by the governing
16 body at, above or below par at which the bidder will purchase
17 the bonds. The bonds shall be sold to the bidder making the
18 best bid, subject to the right of the governing body to reject
19 any and all bids and readvertise. All bids shall be sealed and,
20 except the bid of New Mexico if one is received, shall be
21 accompanied by a deposit of not less than two percent of the
22 principal amount of the bonds, either in cash or by cashier's or
23 treasurer's check of, or by certified check drawn on, a solvent
24 commercial bank or trust company in the United States, which
25 deposit shall be returned if the bid is not accepted. If the

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1 successful bidder [~~fails or neglects to~~] does not complete the
2 purchase of the bonds within thirty days following the
3 acceptance of his bid or within ten days after the bonds are
4 made ready and are offered by the municipal corporation for
5 delivery, whichever is later, the amount of his deposit shall be
6 forfeited to the municipal corporation issuing the bonds, and,
7 in that event, the governing body may accept the bid of the
8 [~~one~~] bidder making the next best bid. If all bids are
9 rejected, the governing body shall readvertise the bonds for
10 sale in the same manner as for the original advertisement. If
11 there are two or more equal bids and the bids are the best bids
12 received, the governing body shall determine which bid shall be
13 accepted [~~provided that the~~].

14 B. Bonds [~~or any part thereof~~] issued by a municipal
15 corporation may be sold to the state at private sale without
16 advertisement.

17 C. Except as provided in this section, bonds to be
18 issued by a municipal corporation for various purposes may be
19 sold and issued as a single combined issue even though they may
20 have been authorized by separate votes at an election or
21 elections. Bonds authorized by any city, town or village for
22 the construction or purchase of a system for supplying water [~~or~~
23 ~~of~~], a sanitary sewer system or [~~of~~] a storm sewer system may be
24 combined with each other and sold and issued as a single issue
25 but may not be combined with bonds to be issued for any other

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[bracketed material] = delete

1 purpose [~~which~~] that may be subject to the debt limitation of
2 [~~Section 13 of~~] Article 9, Section 13 of the constitution of New
3 Mexico. "

4 Section 2. EFFECTIVE DATE. -- The effective date of the
5 provisions of this act is July 1, 1996.

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**State of New Mexico
House of Representatives**

FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

February 2, 1996

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred

HOUSE BILL 334

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

Respectfully submitted,

Jerry W. Sandel, Chairman

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

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Adopted _____ Not Adopted _____

(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Gallegos, Gonzales, Lujan

Absent: None

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Underscored material = new
[bracketed material] = delete

FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

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FORTY-SECOND LEGISLATURE
SECOND SESSION, 1996

February 12, 1996

Mr. President:

Your WAYS AND MEANS COMMITTEE, to whom has been referred

HOUSE BILL 334

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

Respectfully submitted,

TITO D. CHAVEZ, Chairman

Adopted _____ Not Adopted _____

Underscored material = new
[bracketed material] = delete

FORTY- SECOND LEGISLATURE
SECOND SESSION, 1996

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(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 5 For 0 Against

Yes: 5

No: 0

Excused: Campos, Jennings, Romero

Absent: None

H0334WM1

Underscored material = new
[bracketed material] = delete