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HOUSE BILL 26

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Edward Sandoval

AN ACT

AUTHORIZING THE ISSUANCE AND SALE OF CAPITAL PROJECTS GENERAL OBLIGATION BONDS TO MAKE CAPITAL EXPENDITURES FOR SENIOR CITIZEN FACILITY IMPROVEMENTS AND ACQUISITIONS, FOR PUBLIC EDUCATIONAL CAPITAL IMPROVEMENTS AND ACQUISITIONS, FOR PUBLIC LIBRARY ACQUISITIONS AND FOR OTHER STATE CAPITAL EXPENDITURES; PROVIDING FOR A TAX LEVY FOR PAYMENT OF PRINCIPAL OF, INTEREST ON AND CERTAIN COSTS RELATED TO THE BONDS; REQUIRING APPROVAL OF THE REGISTERED VOTERS AT THE 2000 GENERAL ELECTION OF THE STATE; DECLARING AN EMERGENCY.

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

Section 1. SHORT TITLE.--This act may be cited as the "2000 Capital Projects General Obligation Bond Act".

Section 2. PURPOSE.--For the purpose of providing funds for capital expenditures as authorized in the 2000 Capital Projects General Obligation Bond Act, general obligation

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1 indebtedness of the state is authorized for the purposes and
2 in the amounts set forth in Section 10 of that act.

3 Section 3. BOND TERMS.--

4 A. The state board of finance, except as limited
5 by the 2000 Capital Projects General Obligation Bond Act,
6 shall determine the terms, covenants and conditions of bonds
7 issued pursuant to that act, including but not limited to:

8 (1) date or dates of issue, denominations
9 and maturities;

10 (2) principal amounts;

11 (3) rate or rates of interest; and

12 (4) provisions for redemption, including
13 premiums, registration and refundability, whether the bonds
14 are issued in one or more series and other covenants relating
15 to the bonds and the issuance thereof.

16 B. The bonds shall be in such form as the state
17 board of finance determines with an appropriate series
18 designation and shall bear interest payable as set forth in
19 the resolution of the state board of finance.

20 C. Payment of the principal of the bonds shall
21 begin not more than two years after the date of their
22 issuance, and the bonds shall mature not later than ten years
23 after the date of their issuance. Both principal and
24 interest shall be payable in lawful money of the United
25 States at the office of the paying agent within or without
the state as the state board of finance may direct.

D. The bonds shall be executed with the manual or

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1 facsimile signature of the governor or the state treasurer,
2 and the seal or a facsimile of the seal of the state shall be
3 placed on each bond, except for any series of bonds issued in
4 book entry or similar form without the delivery of physical
5 securities.

6 E. The bonds shall be issued in accordance with
7 the provisions of the 2000 Capital Projects General
8 Obligation Bond Act, the Supplemental Public Securities Act
9 and the Uniform Facsimile Signature of Public Officials Act
10 and may be issued in accordance with the Public Securities
11 Short-Term Interest Rate Act.

12 F. The full faith and credit of the state is
13 pledged for the prompt payment when due of the principal of
14 and interest on all bonds issued and sold pursuant to the
15 2000 Capital Projects General Obligation Bond Act.

16 Section 4. EXPENDITURES.--The proceeds from the sale of
17 the bonds shall be expended solely for providing money to be
18 distributed for the purposes and in amounts not to exceed the
19 amounts set forth in Section 10 of the 2000 Capital Projects
20 General Obligation Bond Act and to pay expenses incurred
21 under Section 6 of that act. Any proceeds from the sale of
22 the bonds that are not required for the purposes set forth in
23 Sections 6 and 10 of that act shall be used for the purpose
24 of paying the principal of and interest on the bonds.

25 Section 5. SALE.--The bonds authorized under the 2000
Capital Projects General Obligation Bond Act shall be sold by
the state board of finance at such time and in such manner

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1 and amounts as the board may elect. The bonds may be sold at
2 private sale or at public sale, in either case at not less
3 than par plus accrued interest to the date of delivery. If
4 sold at public sale, the state board of finance shall publish
5 a notice of the time and place of sale in a newspaper of
6 general circulation in the state and may also publish the
7 notice in a recognized financial journal outside the state.
8 The required publications shall be made once each week for
9 two consecutive weeks prior to the date fixed for the sale,
10 the last publication thereof to be at least five days prior
11 to the date of the sale. The notice shall specify the
12 amount, denomination, maturity and description of the bonds
13 to be offered for sale and the place, date and hour at which
14 the sealed bids shall be received. At the time and place
15 specified in the notice, the state board of finance shall
16 open the bids in public and shall award the bonds to the
17 bidder or bidders offering the best price for the bonds. The
18 state board of finance may reject any or all bids and
19 readvertise and may waive any irregularity in a bid. All
20 bids, except that of the state, shall be accompanied by a
21 deposit of two percent of the principal amount of the bonds
22 in a form acceptable to the state board of finance. The
23 deposit of an unsuccessful bidder shall be returned upon
24 rejection of the bid. The state board of finance may also
25 sell the bonds or any part of the bonds to the state
treasurer or state investment officer. The state treasurer
or state investment officer is authorized to purchase any of

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1 the bonds for investment. The bonds are legal investments
2 for any person or board charged with the investment of any
3 public funds and may be accepted as security for any deposit
4 of public money.

5 Section 6. EXPENSES.--The expenses incurred by the
6 state board of finance in or relating to the preparation and
7 sale of the bonds shall be paid out of the proceeds from the
8 sale of the bonds, and all rebate, penalty, interest and
9 other obligations of the state relating to the bonds and bond
10 proceeds under the Internal Revenue Code of 1986, as amended,
11 shall be paid from earnings on bond proceeds or other money
12 of the state, legally available for such payments.

13 Section 7. TAX LEVY.--To provide for the payment of the
14 principal of and interest on the bonds issued and sold
15 pursuant to the provisions of the 2000 Capital Projects
16 General Obligation Bond Act, there shall be and there is
17 hereby imposed and levied during each year in which any of
18 the bonds are outstanding an ad valorem tax on all property
19 in the state subject to property taxation for state purposes
20 sufficient to pay the interest as it becomes due on the
21 bonds, together with an amount sufficient to provide a
22 sinking fund to pay the principal of the bonds as it becomes
23 due and, if permitted by law, ad valorem taxes may be
24 collected to pay administrative costs incident to the
25 collection of such taxes. The taxes shall be imposed,
levied, assessed and collected at the times and in the manner
that other property taxes for state purposes are imposed,

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1 levied, assessed and collected. It is the duty of all tax
2 officials and authorities to cause these taxes to be imposed,
3 levied, assessed and collected.

4 Section 8. TREASURER--DUTIES.--The state treasurer
5 shall keep separate accounts of all money collected pursuant
6 to the taxes imposed and levied pursuant to the provisions of
7 the 2000 Capital Projects General Obligation Bond Act and
8 shall use this money only for the purposes of paying the
9 principal of and interest on the bonds as they become due and
10 any expenses relating thereto.

11 Section 9. IRREPEALABLE CONTRACT--AUTHORITY FOR
12 ISSUANCE.--An owner of bonds issued pursuant to the
13 provisions of the 2000 Capital Projects General Obligation
14 Bond Act may, either at law or in equity, by suit, action or
15 mandamus, enforce and compel the performance of the duties
16 required by that act of any officer or entity mentioned in
17 that act. The provisions of that act constitute an
18 irrepealable contract with the owners of any of the bonds
19 issued pursuant to that act for the faithful performance of
20 which the full faith and credit of the state is pledged.
21 Without reference to any other act of the legislature of the
22 state, the 2000 Capital Projects General Obligation Bond Act
23 is full authority for the issuance and sale of the bonds
24 authorized in that act, and such bonds shall have all the
25 qualities of investment securities under the Uniform
Commercial Code of the state, shall not be invalid for any
irregularity or defect in the proceedings for the issuance

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1 and sale of the bonds and shall be incontestable in the hands
2 of bona fide purchasers or holders thereof for value. All
3 bonds issued under the provisions of that act, and the
4 interest thereon, are exempt from taxation by the state and
5 any subdivision or public body thereof.

6 Section 10. PROJECTS.--The proceeds from the sale of
7 bonds issued under the provisions of the 2000 Capital
8 Projects General Obligation Bond Act shall be distributed as
9 follows for the purposes and in the amounts specified:

10 A. for senior citizen facility improvements and
11 acquisitions, to the state agency on aging:

12 (1) four million dollars (\$4,000,000) to
13 purchase vehicles and related equipment for accessibility for
14 senior citizen centers and programs throughout the state; and

15 (2) four hundred thousand dollars (\$400,000)
16 to renovate and make improvements to meet current codes and
17 regulations regarding health, safety and accessibility at
18 senior centers and meal sites located throughout the state;

19 B. for state public educational capital
20 improvements and acquisitions:

21 (1) to the public school capital outlay
22 fund, twenty million dollars (\$20,000,000) to allocate to
23 public schools for critical capital outlay projects pursuant
24 to the Public School Capital Outlay Act; and

25 (2) to the commission on higher education,
fifteen million dollars (\$15,000,000) to distribute to public
post-secondary educational institutions for infrastructure

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1 improvements and expansions at institutions throughout the
2 state;

3 C. for public library acquisitions, to the office
4 of cultural affairs, five hundred thousand dollars (\$500,000)
5 to acquire library books, equipment and library resources for
6 distribution statewide; and

7 D. for state facilities and equipment, to the
8 capital program fund, five million dollars (\$5,000,000) to
9 renovate, repair, purchase equipment and make other capital
10 improvements to state facilities statewide.

11 Section 11. ELECTION.--

12 A. Bonds issued pursuant to the 2000 Capital
13 Projects General Obligation Bond Act shall be submitted to
14 the registered voters of the state at the general election to
15 be held in November 2000, and, if they receive a majority of
16 all the votes cast thereon at such election, shall take
17 effect upon certification of the state canvassing board
18 announcing the results of such election. No bonds shall be
19 issued or sold under the 2000 Capital Projects General
20 Obligation Bond Act until the registered voters of this state
21 have voted upon and approved the bonds and property tax as
22 provided in this section. Any bonds issued under that act
23 shall be issued within thirty months from the date of such
24 election.

25 B. The ballots used at the 2000 general election
shall contain substantially the following language:

(1) "The 2000 Capital Projects General

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1 Obligation Bond Act authorizes the issuance and sale of
2 senior citizen facility improvement and equipment bonds.
3 Shall the state be authorized to issue general obligation
4 bonds in an amount not to exceed four million four hundred
5 thousand dollars (\$4,400,000) to make capital expenditures
6 for certain senior citizen facility improvements and
7 equipment projects and provide for a general property tax
8 imposition and levy for the payment of principal of, interest
9 on and expenses incurred in connection with the issuance of
10 the bonds and the collection of the tax as permitted by law?

11 For _____ Against _____";

12 (2) "The 2000 Capital Projects General
13 Obligation Bond Act authorizes the issuance and sale of
14 public educational capital improvements and acquisition
15 bonds. Shall the state be authorized to issue general
16 obligation bonds in an amount not to exceed thirty-five
17 million dollars (\$35,000,000) to make capital expenditures
18 for certain public educational capital improvements and
19 acquisitions and provide for a general property tax
20 imposition and levy for the payment of principal of, interest
21 on and expenses incurred in connection with the issuance of
22 the bonds and the collection of the tax as permitted by law?

23
24 For _____ Against _____";

25 (3) "The 2000 Capital Projects General
Obligation Bond Act authorizes the issuance and sale of
public library acquisition bonds. Shall the state be

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1 authorized to issue general obligation bonds in an amount not
2 to exceed five hundred thousand dollars (\$500,000) to make
3 capital expenditures for public library acquisitions and
4 provide for a general property tax imposition and levy for
5 the payment of principal of, interest on and expenses
6 incurred in connection with the issuance of the bonds and the
7 collection of the tax as permitted by law?

8 For _____ Against _____";
9 and

10 (4) "The 2000 Capital Projects General
11 Obligation Bond Act authorizes the issuance and sale of state
12 building improvement and equipment bonds. Shall the state be
13 authorized to issue general obligation bonds in an amount not
14 to exceed five million dollars (\$5,000,000) to make capital
15 expenditures for state buildings and provide for a general
16 property tax imposition and levy for the payment of principal
17 of, interest on and expenses incurred in connection with the
18 issuance of the bonds and the collection of the tax as
19 permitted by law?

20 For _____ Against _____".

21 C. Each question set forth in this section
22 includes a specific work or object to be financed by the
23 bonds. If any such question is not approved by a majority
24 vote of the electorate at the state's 2000 general election,
25 the issuance of bonds for the work or object specific by the
question shall be excluded from and shall not be part of the
2000 Capital Projects General Obligation Bond Act. The

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1 failure of a question to be approved by the electorate at the
2 2000 general election shall not affect those questions that
3 are approved at the election.

4 D. The secretary of state shall include the
5 submission of the capital projects general obligation bonds
6 to the people at the 2000 general election, and it shall be
7 included in the general election proclamation of each of the
8 county clerks. The secretary of state shall cause the 2000
9 Capital Projects General Obligation Bond Act to be published
10 in full in at least one newspaper in each county of the state
11 if one be published therein, once each week, for four
12 successive weeks next preceding the general election as
13 required by the constitution of New Mexico.

14 Section 12. ART IN PUBLIC PLACES.--Pursuant to Section
15 13-4A-4 NMSA 1978 and where applicable, the appropriations
16 authorized in the 2000 Capital Projects General Obligation
17 Bond Act include money for the art in public places fund.

18 Section 13. PROJECT SCOPE--EXPENDITURES--REVERSION.--

19 A. If an appropriation for a project authorized in
20 the 2000 Capital Projects General Obligation Bond Act is not
21 sufficient to complete all the purposes specified, the
22 appropriation may be expended for any portion of the purposes
23 specified in the appropriation. Expenditures shall not be
24 made for purposes other than those specified in the
25 appropriation.

B. The state agencies and state institutions to
which money has been appropriated in the 2000 Capital

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1 Projects General Obligation Bond Act shall be responsible for
2 monitoring the projects funded in that act to ensure
3 compliance with the constitution and laws of New Mexico, and
4 shall cause to be reverted any unexpended or unencumbered
5 balance remaining at the earlier of the third full fiscal
6 year after issuance of the bonds or the termination or
7 completion of the specific project. Reverted funds shall be
8 deposited in the debt service fund established by the state
9 treasurer for the purpose of paying the principal of and
10 interest on the state's general obligation bonds.

11 Section 14. SEVERABILITY.--If any part or application
12 of the 2000 Capital Projects General Obligation Bond Act is
13 held invalid, the remainder or its application to other
14 situations or persons shall not be affected.

15 Section 15. EMERGENCY.--It is necessary for the public
16 peace, health and safety that this act take effect
17 immediately.