HOUSE BILL 195

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Mary Helen Garcia

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

AN ACT

RELATING TO PUBLIC FINANCE; CLARIFYING THAT THE STATE WILL NOT IMPAIR TEACHER HOUSING REVENUE BONDS; DECLARING AN EMERGENCY.

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

Section 1. Section 22-19A-7 NMSA 1978 (being Laws 2002, Chapter 22, Section 7) is amended to read:

"22-19A-7. BONDS--PLEDGE OF INCOME.--

A. Bonds shall be payable solely from any or all pledgeable revenue, and the local school board shall irrevocably pledge that revenue to the prompt payment of the principal, interest and service charges on the bonds. The bonds shall be equally and ratably secured, without priority, by this pledge of pledgeable revenue.

B. If the bonds are payable solely from the net income of the housing project being financed, the local school

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1 board shall operate the housing project so as to ensure a

2 sufficient income to promptly pay the principal, interest and

3 service charges as they become due on the bonds.

4   C. The state pledges and agrees with the holders of

5 bonds issued by a local school board and payable from

6 pledgeable revenue that the state will not limit or alter the

7 rights of the local school board to receive, collect and

8 account for pledgeable revenue and to fulfill the terms of any

9 agreement made with the bondholders or in any way impair the

10 rights and remedies of the bondholders until the bonds,

11 together with the interest on the bonds, with interest on any

12 unpaid installments of interest and all costs and expenses in

13 connection with any action or proceedings by or on behalf of

14 those bondholders, are fully paid and discharged."

15 Section 2. EMERGENCY.--It is necessary for the public

16 peace, health and safety that this act take effect immediately.

- 2 -

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