1	AN ACT	
2	RELATING TO HIGHER EDUCATION BONDING; AMENDING THE COLLEGE	
3	DISTRICT TAX ACT; ALLOWING FOR THE EXPENDITURE OF BOND	
4	PROCEEDS ON COMPUTER HARDWARE AND SOFTWARE.	
5		
6	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:	
7	SECTION 1. Section 21-2A-1 NMSA 1978 (being Laws 1995,	
8	Chapter 224, Section 7) is amended to read:	
9	"21-2A-1. SHORT TITLESections 21-2A-1 through	
10	21-2A-10 NMSA 1978 may be cited as the "College District Tax	
11	Act"."	
12	SECTION 2. Section 21-2A-6 NMSA 1978 (being Laws 1995,	
13	Chapter 224, Section 12) is amended to read:	
14	"21-2A-6. COLLEGE DISTRICT GENERAL OBLIGATION BONDS	
15	INTERESTFORMPAYMENT	
16	A. Any board, other than a board created pursuant	
17	to the provisions of the Off-Campus Instruction Act, may	
18	borrow money for the purpose of:	
19	(1) erecting, furnishing, constructing,	
20	purchasing, remodeling and equipping buildings and utility	
21	facilities, exclusive of stadiums;	
22	(2) making other real property improvements;	
23	(3) purchasing grounds; and	
24	(4) purchasing and installing computer	
25	hardware and software with a useful life equal to or	SB 39 Page l

exceeding the maturity of the bonds.

1

To carry out the purposes of the College 2 Β. 3 District Tax Act, the board may issue negotiable general obligation bonds of the college district, if approved by the 4 5 higher education department and then approved at an election 6 by a majority of the qualified electors voting on the issue; provided, however, no bonds shall be issued that create a 7 total bonded indebtedness in the college district in excess 8 of three percent of the assessed valuation of the taxable 9 10 property within the college district as shown in the preceding general assessment, which debt limitation is to be 11 in excess of other existing debt limitations. Bonds shall be 12 sold at a price that does not result in a net effective 13 interest rate exceeding the maximum net effective interest 14 15 rate permitted by the Public Securities Act. The bonds shall be sold at a public sale or may be sold at private sale to 16 the state of New Mexico or the New Mexico finance authority 17 at the price and upon such terms and conditions as the board 18 and the state of New Mexico or the New Mexico finance 19 20 authority may determine. The bonds may be in such denominations and registered and pay interest as the board 21 determines. 22

C. The bonds shall be due and payable either
annually or semiannually commencing not later than three
years from their date. The bonds shall be issued for a term SB 39

Page 2

of not more than twenty years. The form and terms of the bonds, including provisions for their payment and optional or mandatory redemption, shall be as determined by the board. If the board so determines, the bonds may be redeemable prior to maturity upon payment of a premium not exceeding one percent of the principal of the bonds. The bonds shall be executed in the name of and on behalf of the college district, signed by the chair of the board, with the seal of the college district affixed to the bonds, and attested by the secretary of the board. The bonds may be executed and sealed in accordance with the provisions of the Uniform Facsimile Signature of Public Officials Act.

1

2

3

4

5

6

7

8

9

10

11

12

To provide for the payment of the interest and 13 D. principal of the bonds issued and sold pursuant to the 14 15 provisions of the College District Tax Act, upon approval of the bonds at an election by a majority of the qualified 16 electors in the college district who voted on the issue, the 17 board of county commissioners shall annually make and levy, 18 during each year in which any bonds are outstanding, an ad 19 20 valorem tax on all taxable property in the district in an amount sufficient to produce a sum equal to one year's 21 interest on all bonds then outstanding, together with an 22 amount sufficient to pay the principal on all bonds as they 23 This levy shall not exceed five mills; provided, 24 mature. however, that this five-mill limitation may be exceeded in 25

SB 39 Page 3

any year in which the valuation of the property within the college district declines to a level lower than the valuation of the property in the year in which the bonds were issued. The taxes authorized by this subsection shall be levied, assessed and collected at the times and in the manner that ad valorem taxes for school districts are assessed, levied and collected, and it is the duty of all tax officials and authorities to cause taxes authorized by this subsection to be levied, assessed and collected.

1

2

3

4

5

6

7

8

9

25

Ε. The proceeds obtained from the issuance of the 10 bonds shall not be diverted or expended for any purposes 11 other than those provided in the College District Tax Act; 12 provided that no building shall be built without prior 13 approval of detailed plans by the higher education 14 15 department; and further provided that the expenses incurred in the preparation and sale of the bonds may be paid out of 16 the proceeds from the sale of the bonds. 17

Prior to the issuance and sale of bonds, the F. 18 attorney general shall approve all bond transcripts and 19 20 certify approval or rejection thereof in the same manner as is required by law for the approval of school bonds. Unless 21 otherwise specifically provided, the provisions of the College 22 District Tax Act for the issuance of bonds shall be deemed 23 exclusive of the provisions of all other laws."_____ 24 SB 39

Page 4