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AN ACT

RELATING TO PUBLIC FINANCE; ALLOWING MUNICIPALITIES TO PLEDGE
ANY TYPE OF REVENUE FOR THE PAYMENT OF REFUNDING BONDS.

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

SECTION 1. Section 3-31-8 NMSA 1978 (being Laws 1965,
Chapter 300, Section 14-30-8, as amended) is amended to read:

"3-31-8. REVENUE BONDS--REFUNDING AUTHORIZATION--
AUTHORITY TO MORTGAGE MUNICIPAL UTILITY.--

A. Any municipality having issued revenue bonds as
authorized in Sections 3-31-1 through 3-31-7 NMSA 1978 or
pursuant to any other laws enabling the governing body of any
municipality having issued such revenue bonds payable only
out of the pledged revenue may issue refunding revenue bonds
for the purpose of refinancing, paying and discharging all or
any part of such outstanding bonds of any one or more or all
outstanding issues:

(1) for the acceleration, deceleration or
other modification of the payment of such obligations,
including without limitation any capitalization of any
interest thereon in arrears or about to become due for any
period not exceeding one year from the date of the refunding
bonds;

(2) for the purpose of reducing interest
costs or effecting other economies;

1 (3) for the purpose of modifying or
2 eliminating restrictive contractual limitations pertaining to
3 the issuance of additional bonds, otherwise concerning the
4 outstanding bonds or to any facilities relating thereto; or

5 (4) for any combination of such purposes.

6 B. The municipality may pledge irrevocably for the
7 payment of interest and principal on refunding bonds the
8 appropriate pledged revenues, which may be pledged to an
9 original issue of bonds as provided in Section 3-31-1 NMSA
10 1978, and it may pledge revenues from one source to the
11 payment of bonds that refund bonds payable from a different
12 source of revenue.

13 C. Bonds for refunding and bonds for any purpose
14 permitted by Section 3-31-1 NMSA 1978 may be issued
15 separately or issued in combination in one series or more.

16 D. In addition to pledging of utility revenues to
17 the payment of the refunding revenue bonds that refund
18 utility bonds or joint utility bonds as provided in Section
19 3-23-4 NMSA 1978, the municipality may grant by ordinance, or
20 by resolution if the refunding revenue bonds are issued and
21 sold to the New Mexico finance authority pursuant to
22 Subsection C of Section 3-31-4 NMSA 1978, a mortgage of the
23 municipal utility that has been solely financed by revenue
24 bonds to the bondholder or a trustee for the benefit and
25 security of the holders of the refunding revenue bonds."

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SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2019. _____