

1 SENATE BILL 321

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

4 Ron Griggs and William F. Burt

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10 AN ACT

11 RELATING TO COURTS; ENACTING THE COUNTY COURTHOUSE BONDING ACT;
12 AUTHORIZING THE NEW MEXICO FINANCE AUTHORITY TO ISSUE COUNTY
13 COURTHOUSE TAX REVENUE BONDS; CREATING THE COUNTY COURTHOUSE
14 BONDING FUND; CREATING THE COUNTY COURTHOUSE GRANT FUND;
15 PROVIDING FOR GRANTS TO CERTAIN COUNTIES FOR COURTHOUSE
16 PROJECTS; PROVIDING A TAX DISTRIBUTION TO THE COUNTY COURTHOUSE
17 BONDING FUND.

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
21 through 7 of this act may be cited as the "County Courthouse
22 Bonding Act".

23 SECTION 2. [NEW MATERIAL] NEW MEXICO FINANCE AUTHORITY--
24 BUILDING BONDS--PROCEEDS.--The New Mexico finance authority is
25 authorized to issue and sell revenue bonds, known as "county

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1 courthouse tax revenue bonds", payable solely from the county
2 courthouse bonding fund, in compliance with the County
3 Courthouse Bonding Act for the purpose of remodeling,
4 renovating or constructing courthouses, including the purchase
5 of equipment and furnishings but excluding the purchase of land
6 or buildings; provided that state funding shall be expended
7 only for courtrooms and court-related facilities in counties
8 that meet the requirements set by the authority pursuant to the
9 County Courthouse Bonding Act. The net proceeds from the
10 county courthouse tax revenue bonds shall be appropriated to
11 the county courthouse grant fund.

12 SECTION 3. [NEW MATERIAL] COUNTY COURTHOUSE BONDING
13 FUND--CREATED--MONEY IN THE FUND PLEDGED.--

14 A. The "county courthouse bonding fund" is created
15 as a special fund within the New Mexico finance authority. The
16 fund shall be administered by the New Mexico finance authority
17 as a special account. The fund shall consist of money
18 appropriated and transferred to the fund and gross receipts tax
19 revenues distributed to the fund pursuant to Section 8 of the
20 County Courthouse Bonding Act. Earnings of the fund shall be
21 credited to the fund. Balances in the fund at the end of any
22 fiscal year shall remain in the fund, except as provided in
23 this section.

24 B. Money in the county courthouse bonding fund is
25 pledged for the payment of principal and interest on all county

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1 courthouse tax revenue bonds issued pursuant to the County
2 Courthouse Bonding Act. Money in the fund is appropriated to
3 the New Mexico finance authority for the purpose of paying debt
4 service on the county courthouse tax revenue bonds and the
5 expenses incurred in the issuance, payment and administration
6 of the bonds.

7 C. Any balance remaining in the county courthouse
8 bonding fund shall be transferred to the general fund upon
9 certification by the New Mexico finance authority that:

10 (1) the local government division of the
11 department of finance and administration, the New Mexico
12 finance authority and the administrative office of the courts
13 have agreed that the county courthouse tax revenue bonds issued
14 pursuant to the County Courthouse Bonding Act have been
15 retired, that no additional obligations of the county
16 courthouse bonding fund exist and that no additional
17 expenditures from the fund are necessary; or

18 (2) a court of proper jurisdiction has ruled
19 that the county courthouse tax revenue bonds have been retired,
20 that no additional obligations of the county courthouse bonding
21 fund exist and that no additional expenditures from the fund
22 are necessary.

23 D. The county courthouse tax revenue bonds issued
24 pursuant to the County Courthouse Bonding Act shall be payable
25 solely from the county courthouse bonding fund or, with the

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1 approval of the bondholders, such other special funds as may be
2 provided by law and do not create an obligation or indebtedness
3 of the state within the meaning of any constitutional
4 provision. No breach of any contractual obligation incurred
5 pursuant to that act shall impose a pecuniary liability or a
6 charge upon the general credit or taxing power of the state,
7 and the bonds are not general obligations for which the state's
8 full faith and credit are pledged.

9 SECTION 4. [NEW MATERIAL] COURTHOUSE BONDS--FORM--
10 EXECUTION.--

11 A. The New Mexico finance authority, except as
12 otherwise specifically provided in the County Courthouse
13 Bonding Act, shall determine at its discretion the terms,
14 covenants and conditions of county courthouse tax revenue
15 bonds, including date of issue, denominations, maturities, rate
16 or rates of interest, call features, call premiums,
17 registration, refundability and other covenants covering the
18 general and technical aspects of the issuance of the bonds.

19 B. The county courthouse tax revenue bonds shall be
20 in such form as the New Mexico finance authority may determine,
21 and successive issues shall be identified by alphabetical,
22 numerical or other proper series designation.

23 C. County courthouse tax revenue bonds shall be
24 signed and attested by the secretary of the New Mexico finance
25 authority and shall be executed with the facsimile signature of

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1 the chair of the New Mexico finance authority and the facsimile
2 seal of the New Mexico finance authority, except for bonds
3 issued in book entry or similar form without the delivery of
4 physical securities. Any interest coupons attached to the
5 bonds shall bear the facsimile signature of the secretary of
6 the New Mexico finance authority, which officer, by the
7 execution of the bonds, shall adopt as the secretary's own
8 signature the facsimile thereof appearing on the coupons.
9 Except for bonds issued in book entry or similar form without
10 the delivery of physical securities, the Uniform Facsimile
11 Signature of Public Officials Act shall apply, and the New
12 Mexico finance authority shall determine the manual signature
13 to be affixed on the bonds.

14 SECTION 5. [NEW MATERIAL] PROCEDURE FOR SALE OF
15 COURTHOUSE BONDS.--

16 A. County courthouse tax revenue bonds shall be
17 sold by the New Mexico finance authority at such times and in
18 such manner as the authority may elect, either at private sale
19 for a negotiated price or to the highest bidder at public sale
20 for cash at not less than par and accrued interest.

21 B. In connection with any public sale of county
22 courthouse tax revenue bonds, the New Mexico finance authority
23 shall publish a notice of the time and place of sale in a
24 newspaper of general circulation in the state and also in a
25 recognized financial journal outside the state. Such

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1 publication shall be made once each week for two consecutive
2 weeks prior to the date fixed for such sale, the last
3 publication to be two business days prior to the date of sale.
4 Such notice shall specify the amount, denomination, maturity
5 and description of the bonds to be offered for sale and the
6 place, day and hour at which sealed bids therefor shall be
7 received. All bids, except that of the state, shall be
8 accompanied by a deposit of two percent of the principal amount
9 of the bonds. Deposits of unsuccessful bidders shall be
10 returned upon rejection of the bid. At the time and place
11 specified in such notice, the New Mexico finance authority
12 shall open the bids in public and shall award the bonds, or any
13 part thereof, to the bidder or bidders offering the best price.
14 The New Mexico finance authority may reject any or all bids and
15 readvertise.

16 C. The New Mexico finance authority may sell a
17 county courthouse tax revenue bond issue, or any part thereof,
18 to the state or to one or more investment bankers or
19 institutional investors at private sale.

20 SECTION 6. [NEW MATERIAL] FULL AUTHORITY FOR THE ISSUANCE
21 OF BONDS--BONDS AS LEGAL INVESTMENTS.--

22 A. The County Courthouse Bonding Act shall, without
23 reference to any other act of the legislature, be full
24 authority for the issuance and sale of county courthouse tax
25 revenue bonds, which bonds shall have all the qualities of

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1 investment securities under the Uniform Commercial Code and
2 shall not be invalid for any irregularity or defect or be
3 contestable in the hands of bona fide purchasers or holders
4 thereof for value.

5 B. County courthouse tax revenue bonds are legal
6 investments for any person or board charged with the investment
7 of any public funds and are acceptable as security for any
8 deposit of public money.

9 SECTION 7. [NEW MATERIAL] COUNTY COURTHOUSE GRANT FUND--
10 CREATION--ADMINISTRATION--PURPOSES.--

11 A. There is created in the New Mexico finance
12 authority the "county courthouse grant fund", which shall be
13 administered by the authority. The authority shall adopt, in
14 accordance with the New Mexico Finance Authority Act, rules
15 necessary to administer the fund.

16 B. The following shall be deposited directly into
17 the county courthouse grant fund:

18 (1) the net proceeds from the sale of bonds
19 issued pursuant to the County Courthouse Bonding Act;

20 (2) money appropriated by the legislature to
21 implement the provisions of this section; and

22 (3) any other public or private money
23 dedicated to the fund.

24 C. Money in the county courthouse grant fund is
25 appropriated to the authority to:

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1 (1) make grants to qualified counties to
2 remodel, renovate or construct courthouses, including equipment
3 and furnishings, but excluding the purchase of land or
4 buildings; provided that the grant shall be expended only for
5 courtrooms and court-related facilities; and

6 (2) administer the provisions of this section.

7 D. The authority shall adopt rules governing the
8 terms and conditions of grants made from the county courthouse
9 grant fund. Grants shall be made from the fund only if the
10 qualified county provides matching funding for a proposed
11 project, which shall be in an amount equal to the grant.
12 Grants from the county courthouse grant fund shall be made only
13 after the authority has determined that the financing for the
14 complete project is cost-effective.

15 SECTION 8. A new section of the Tax Administration Act is
16 enacted to read:

17 "[NEW MATERIAL] DISTRIBUTION--GROSS RECEIPTS TAX--
18 COUNTY COURTHOUSE BONDING FUND.--Beginning July 1, 2021 and
19 continuing through June 30, 2026, a distribution pursuant to
20 Section 7-1-6.1 NMSA 1978 shall be made to the county
21 courthouse bonding fund in the amount of one million dollars
22 (\$1,000,000) from the net receipts attributable to the gross
23 receipts tax imposed by the Gross Receipts and Compensating Tax
24 Act."

25 SECTION 9. EFFECTIVE DATE.--The effective date of the
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1 provisions of this act is July 1, 2021.

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