

HOUSE BILL 248

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

Derrick J. Lente

AN ACT

RELATING TO GENERAL OBLIGATION BONDS; AUTHORIZING THE ISSUANCE
AND SALE OF CAPITAL PROJECTS GENERAL OBLIGATION BONDS TO MAKE
CAPITAL EXPENDITURES FOR SENIOR CENTERS STATEWIDE, HIGHER
EDUCATION, LIBRARIES STATEWIDE AND OTHER PURPOSES; PROVIDING
FOR A PROPERTY TAX LEVY FOR PAYMENT OF PRINCIPAL OF, INTEREST
ON AND CERTAIN COSTS RELATED TO THE BONDS; REQUIRING APPROVAL
OF THE REGISTERED VOTERS AT THE 2026 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
"2026 Capital Projects General Obligation Bond Act".

SECTION 2. PURPOSE.--For the purpose of providing funds
for capital expenditures as authorized in the 2026 Capital
Projects General Obligation Bond Act, general obligation

.233364.1

1 indebtedness of the state is authorized for the purposes and in
2 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 by
5 the 2026 Capital Projects General Obligation Bond Act, shall
6 determine the terms, covenants and conditions of bonds issued
7 pursuant to that act, including:

8 (1) date or dates of issue, denominations and
9 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 are
14 issued in one or more series and other covenants relating to
15 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 the
19 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 issuance,
22 and the bonds shall mature not later than ten years after the
23 date of their issuance. Both principal and interest shall be
24 payable in lawful money of the United States at the office of
25 the paying agent within or without the state as the state board

.233364.1

1 of finance may direct.

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

8 E. The bonds shall be issued in accordance with the
9 provisions of the 2026 Capital Projects General Obligation Bond
10 Act, the Supplemental Public Securities Act and the Uniform
11 Facsimile Signature of Public Officials Act and may be issued
12 in accordance with the Public Securities Short-Term Interest
13 Rate Act.

14 F. The full faith and credit of the state is
15 pledged for the prompt payment when due of the principal of and
16 interest on all bonds issued and sold pursuant to the 2026
17 Capital Projects General Obligation Bond Act.

18 SECTION 4. EXPENDITURES.--The proceeds from the sale of
19 the bonds shall be expended solely for providing money to be
20 distributed for the purposes and in amounts not to exceed the
21 amounts set forth in Section 10 of the 2026 Capital Projects
22 General Obligation Bond Act and to pay expenses incurred under
23 Section 6 of that act. Any proceeds from the sale of the bonds
24 that are not required for the purposes set forth in Sections 6
25 and 10 of that act shall be used for the purpose of paying the

.233364.1

1 principal of and interest on the bonds.

2 **SECTION 5. SALE.**--The bonds authorized under the 2026
3 Capital Projects General Obligation Bond Act shall be sold by
4 the state board of finance at such time and in such manner and
5 amounts as the board may elect. The bonds may be sold at
6 private sale or at public sale, in either case at not less than
7 par plus accrued interest to the date of delivery. If sold at
8 public sale, the state board of finance shall publish a notice
9 of the time and place of sale in a newspaper of general
10 circulation in the state and may also publish the notice in a
11 recognized financial journal outside the state. The required
12 publications shall be made once each week for two consecutive
13 weeks prior to the date fixed for the sale, the last
14 publication to be at least five days prior to the date of the
15 sale. The notice shall specify the amount, denomination,
16 maturity and description of the bonds to be offered for sale
17 and the place, date and hour at which the sealed bids shall be
18 received. At the time and place specified in the notice, the
19 state board of finance shall open the bids in public and shall
20 award the bonds to the bidder or bidders offering the best
21 price for the bonds. The state board of finance may reject any
22 or all bids and readvertise and may waive any irregularity in a
23 bid. All bids, except that of the state, shall be accompanied
24 by a deposit of two percent of the principal amount of the
25 bonds in a form acceptable to the state board of finance. The

.233364.1

1 deposit of an unsuccessful bidder shall be returned upon
2 rejection of the bid. The state board of finance may also sell
3 the bonds or any part of the bonds to the state treasurer or
4 state investment officer. The state treasurer or state
5 investment officer is authorized to purchase any of the bonds
6 for investment. The bonds are legal investments for any person
7 or board charged with the investment of any public funds and
8 may be accepted as security for any deposit of public money.

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

17 **SECTION 7. PROPERTY TAX LEVY.**--To provide for the payment
18 of the principal of and interest on the bonds issued and sold
19 pursuant to the provisions of the 2026 Capital Projects General
20 Obligation Bond Act, there shall be and there is hereby imposed
21 and levied during each year in which any of the bonds are
22 outstanding an ad valorem tax on all property in the state
23 subject to property taxation for state purposes sufficient to
24 pay the interest as it becomes due on the bonds, together with
25 an amount sufficient to provide a sinking fund to pay the

.233364.1

1 principal of the bonds as it becomes due, and, if permitted by
2 law, ad valorem taxes may be collected to pay administrative
3 costs incident to the collection of such taxes. The taxes
4 shall be imposed, levied, assessed and collected at the times
5 and in the manner that other property taxes for state purposes
6 are imposed, levied, assessed and collected. It is the duty of
7 all tax officials and authorities to cause these taxes to be
8 imposed, levied, assessed and collected.

9 **SECTION 8. TREASURER--DUTIES.--**The state treasurer shall
10 keep separate accounts of all money collected pursuant to the
11 taxes imposed and levied pursuant to the provisions of the 2026
12 Capital Projects General Obligation Bond Act and shall use this
13 money only for the purposes of paying the principal of and
14 interest on the bonds as they become due and any expenses
15 relating thereto.

16 **SECTION 9. IRREPEALABLE CONTRACT--AUTHORITY FOR**
17 **ISSUANCE.--**An owner of bonds issued pursuant to the provisions
18 of the 2026 Capital Projects General Obligation Bond Act may,
19 either at law or in equity, by suit, action or mandamus,
20 enforce and compel the performance of the duties required by
21 that act of any officer or entity mentioned in that act. The
22 provisions of that act constitute an irrepealable contract with
23 the owners of any of the bonds issued pursuant to that act for
24 the faithful performance of which the full faith and credit of
25 the state is pledged. Without reference to any other act of

.233364.1

1 the legislature, the 2026 Capital Projects General Obligation
2 Bond Act is full authority for the issuance and sale of the
3 bonds authorized in that act, and such bonds shall have all the
4 qualities of investment securities under the Uniform Commercial
5 Code, shall not be invalid for any irregularity or defect in
6 the proceedings for the issuance and sale of the bonds and
7 shall be incontestable in the hands of bona fide purchasers or
8 holders thereof for value. All bonds issued under the
9 provisions of that act, and the interest thereon, are exempt
10 from taxation by the state and any subdivision or public body
11 thereof.

12 SECTION 10. PROJECTS.--The proceeds from the sale of
13 bonds issued under the provisions of the 2026 Capital Projects
14 General Obligation Bond Act shall be distributed as
15 follows for the purposes and in the amounts specified:

16 A. for senior citizen facility improvement,
17 construction and equipment acquisition projects to the aging
18 and long-term services department, thirty million dollars
19 (\$30,000,000);

20 B. for library acquisitions at public libraries,
21 public school libraries, academic libraries and tribal
22 libraries statewide, twenty million dollars (\$20,000,000); and

23 C. for capital improvements and acquisitions at
24 institutions of higher education, special schools and tribal
25 schools statewide, two hundred thirty million dollars

.233364.1

1 (\$230,000,000).

2 SECTION 11. ELECTION.--

3 A. Bonds issued pursuant to the 2026 Capital
4 Projects General Obligation Bond Act shall be submitted to the
5 registered voters of the state at the general election to be
6 held in November 2026, and, if they receive a majority of all
7 the votes cast thereon at such election, shall take effect upon
8 certification of the state canvassing board announcing the
9 results of the election. No bonds shall be issued or sold
10 under that act until the registered voters of this state have
11 voted upon and approved the bonds and property tax as provided
12 in this section. Any bonds issued under that act shall be
13 issued within thirty months from the date of such election.

14 B. The ballots used at the 2026 general election
15 shall contain substantially the following language:

16 (1) "The 2026 Capital Projects General
17 Obligation Bond Act authorizes the issuance and sale of senior
18 citizen facility improvement, construction and equipment
19 acquisition bonds. Shall the state be authorized to issue
20 general obligation bonds in an amount not to exceed thirty
21 million dollars (\$30,000,000) to make capital expenditures for
22 certain senior citizen facility improvement, construction and
23 equipment acquisition projects and provide for a general
24 property tax imposition and levy for the payment of principal
25 of, interest on and expenses incurred in connection with the

.233364.1

1 issuance of the bonds and the collection of the tax as
2 permitted by law?

3 For _____ Against _____";

4 (2) "The 2026 Capital Projects General
5 Obligation Bond Act authorizes the issuance and sale of library
6 acquisition bonds. Shall the state be authorized to issue
7 general obligation bonds in an amount not to exceed twenty
8 million dollars (\$20,000,000) to make capital expenditures for
9 academic, public school, tribal and public library resource
10 acquisitions and provide for a general property tax imposition
11 and levy for the payment of principal of, interest on and
12 expenses incurred in connection with the issuance of the bonds
13 and the collection of the tax as permitted by law?

14 For _____ Against _____";

15 and

16 (3) "The 2026 Capital Projects General
17 Obligation Bond Act authorizes the issuance and sale of higher
18 education, special schools and tribal schools capital
19 improvement and acquisition bonds. Shall the state be
20 authorized to issue general obligation bonds in an amount not
21 to exceed two hundred thirty million dollars (\$230,000,000) to
22 make capital expenditures for certain higher education, special
23 schools and tribal schools capital improvements and
24 acquisitions and provide for a general property tax imposition
25 and levy for the payment of principal of, interest on and

.233364.1

1 expenses incurred in connection with the issuance of the bonds
2 and the collection of the tax as permitted by law?

3 For _____ Against _____".

4 C. Each question set forth in this section includes
5 a specific work or object to be financed by the bonds. If any
6 such question is not approved by a majority vote of the
7 electorate at the state's 2026 general election, the issuance
8 of bonds for the work or object specified by the question shall
9 be excluded from and shall not be part of the 2026 Capital
10 Projects General Obligation Bond Act. The failure of a
11 question to be approved by the electorate at the 2026 general
12 election shall not affect those questions that are approved at
13 the election.

14 D. The secretary of state shall include the
15 submission of the capital projects general obligation bonds to
16 the people at the 2026 general election, and it shall be
17 included in the general election proclamation. The secretary
18 of state shall cause the 2026 Capital Projects General
19 Obligation Bond Act to be published in full in at least one
20 newspaper in each county of the state if one be published
21 therein, once each week, for four successive weeks next
22 preceding the general election as required by the constitution
23 of New Mexico.

24 SECTION 12. ART IN PUBLIC PLACES.--Pursuant to Section
25 13-4A-4 NMSA 1978 and where applicable, the appropriations
.233364.1

1 authorized in the 2026 Capital Projects General Obligation Bond
2 Act include money for the art in public places fund.

3 SECTION 13. PROJECT SCOPE--EXPENDITURES--REVERSION.--

4 A. If an appropriation for a project authorized in
5 the 2026 Capital Projects General Obligation Bond Act is not
6 sufficient to complete all the purposes specified, the
7 appropriation may be expended for any portion of the purposes
8 specified in the appropriation. Expenditures shall not be made
9 for purposes other than those specified in the appropriation.

10 B. The state agencies and state institutions to
11 which money has been appropriated in the 2026 Capital Projects
12 General Obligation Bond Act shall be responsible for monitoring
13 the projects funded in that act to ensure compliance with the
14 constitution and laws of New Mexico and shall cause to be
15 reverted any unexpended or unencumbered balance remaining at
16 the earlier of the third full fiscal year after issuance of the
17 bonds or the termination or completion of the specific project.
18 Reverted funds shall be deposited in the debt service fund
19 established by the state treasurer for the purpose of paying
20 the principal of and interest on the state's general obligation
21 bonds.

22 SECTION 14. SEVERABILITY.--If any part or application of
23 the 2026 Capital Projects General Obligation Bond Act is held
24 invalid, the remainder or its application to other situations
25 or persons shall not be affected.

.233364.1

underscored material = new
[bracketed material] = delete

1 SECTION 15. EMERGENCY.--It is necessary for the public
2 peace, health and safety that this act take effect immediately.

3 - 12 -
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

.233364.1