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AN ACT

RELATING TO HIGHER EDUCATION BONDING; AMENDING THE COLLEGE DISTRICT TAX ACT; ALLOWING FOR THE EXPENDITURE OF BOND PROCEEDS ON COMPUTER HARDWARE AND SOFTWARE.

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

SECTION 1. Section 21-2A-1 NMSA 1978 (being Laws 1995, Chapter 224, Section 7) is amended to read:

"21-2A-1. SHORT TITLE.--Sections 21-2A-1 through 21-2A-10 NMSA 1978 may be cited as the "College District Tax Act"."

SECTION 2. Section 21-2A-6 NMSA 1978 (being Laws 1995, Chapter 224, Section 12) is amended to read:

"21-2A-6. COLLEGE DISTRICT GENERAL OBLIGATION BONDS-- INTEREST--FORM--PAYMENT.--

A. Any board, other than a board created pursuant to the provisions of the Off-Campus Instruction Act, may borrow money for the purpose of:

- (1) erecting, furnishing, constructing, purchasing, remodeling and equipping buildings and utility facilities, exclusive of stadiums;
- (2) making other real property improvements;
- (3) purchasing grounds; and
- (4) purchasing and installing computer hardware and software with a useful life equal to or

1 exceeding the maturity of the bonds.

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

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

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

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

