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SENATE BILL 208

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO PUBLIC FINANCES; REQUIRING COLLEGE DISTRICTS AND SCHOOL DISTRICTS TO CREATE CITIZENS' BOND OVERSIGHT COMMITTEES WHEN THEY HAVE OUTSTANDING BONDS; PROVIDING POWERS AND DUTIES.

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 7 through 16 of this act]~~ Sections 21-2A-1 through 21-2A-10 NMSA 1978 may be cited as the "College District Tax Act"."

SECTION 2. A new section of the College District Tax Act is enacted to read:

"[NEW MATERIAL] CITIZENS' BOND OVERSIGHT COMMITTEES-- MEMBERSHIP--POWERS AND DUTIES.--

A. Any college district that has bonded

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1 indebtedness or that is considering the issuance of general
2 obligation or revenue bonds for the construction,
3 reconstruction, rehabilitation or replacement of college
4 facilities or acquisition or lease of real or personal property
5 for college facilities shall have a "citizens' bond oversight
6 committee" to oversee the appropriate use of bond proceeds.

7 B. The board shall appoint a citizens' bond
8 oversight committee that consists of at least seven members to
9 serve for a term of two years and for no more than two
10 consecutive terms. Members of the oversight committee shall
11 not be compensated and shall not receive per diem and mileage.
12 Membership on the oversight committee shall include:

13 (1) at least one member who represents the
14 business community within the college district;

15 (2) at least one member who represents a
16 senior citizens' organization in the college district;

17 (3) one member who represents the student body
18 of the college and who is active in student body government and
19 who may, at the discretion of the board, serve up to six months
20 after the student's graduation; and

21 (4) one member of the college's advisory
22 council or foundation, if applicable, or otherwise involved in
23 the support and organization of the college.

24 C. No employee or official of the college district
25 shall be appointed to the citizens' bond oversight committee.

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1 D. The citizens' bond oversight committee shall
2 keep the public informed concerning the expenditure of bond
3 proceeds and shall actively review and report on the
4 expenditure of taxpayers' money for college capital
5 improvements. In furtherance of that purpose, the oversight
6 committee shall:

7 (1) review and comment on the college's campus
8 master plan, including any deferred maintenance plans, and the
9 purposes for which bonds are being issued;

10 (2) ensure that bond proceeds are expended
11 only for the purposes for which the bonds were issued;

12 (3) ensure that no bond proceeds are used for
13 faculty or administrative salaries or other college operating
14 expenses;

15 (4) receive and review copies of any
16 independent financial or performance audits pertaining to bond
17 proceeds;

18 (5) inspect college facilities and grounds to
19 ensure that bond proceeds are expended in compliance with state
20 and federal laws, the campus master plan and the purposes for
21 which bonds were issued; and

22 (6) review and make recommendations on efforts
23 by the college to maximize bond proceeds by implementing cost-
24 saving measures, including:

25 (a) mechanisms designed to reduce the

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1 cost of professional fees;

2 (b) mechanisms designed to reduce the
3 cost of site preparation;

4 (c) recommendations regarding the joint
5 use of facilities, as appropriate; and

6 (d) mechanisms designed to reduce costs
7 by incorporating energy and other efficiencies in building and
8 site design.

9 E. The board, without expending bond proceeds,
10 shall provide the citizens' bond oversight committee with
11 necessary technical and administrative assistance and shall
12 publicize the oversight committee's conclusions.

13 F. All meetings of the citizens' bond oversight
14 committee are subject to the provisions of the Open Meetings
15 Act.

16 G. The citizens' bond oversight committee shall
17 issue an annual report of its activities, findings and
18 recommendations. The report shall be made available to the
19 public on the college's internet web site.

20 H. Nothing in this section shall be construed as
21 allowing an off-campus program to purchase or own real property
22 in violation of Section 21-14A-5.2 NMSA 1978."

23 SECTION 3. A new section of the Public School Finance Act
24 is enacted to read:

25 "[NEW MATERIAL] CITIZENS' BOND OVERSIGHT COMMITTEES--

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1 MEMBERSHIP--POWERS AND DUTIES.--

2 A. Any school district that has bonded indebtedness
3 or that is considering the issuance of general obligation or
4 other bonds for the construction, reconstruction,
5 rehabilitation or replacement of school district facilities or
6 acquisition or lease of real or personal property for school
7 district facilities shall have a "citizens' bond oversight
8 committee" to oversee the appropriate use of bond proceeds.
9 The citizens' bond oversight committee shall also oversee the
10 use of bond proceeds from the school district for the
11 construction, reconstruction, rehabilitation or replacement of
12 charter school facilities in the school district or acquisition
13 or lease of real or personal property for charter school
14 facilities.

15 B. The local school board shall appoint a citizens'
16 bond oversight committee that consists of at least seven
17 members to serve for a term of two years and for no more than
18 two consecutive terms. Members of the oversight committee
19 shall not be compensated and shall not receive per diem and
20 mileage. Membership on the oversight committee shall include:

- 21 (1) at least one member who represents the
22 business community within the school district;
- 23 (2) at least one member who represents a
24 senior citizens' organization in the school district;
- 25 (3) one member who is a parent or guardian of

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1 a student enrolled in the school district and who is active in
2 a parent-teacher organization or a school site council; and

3 (4) if the oversight committee will oversee
4 bond proceeds for capital improvements at one or more charter
5 schools, one member who is the parent or guardian of a student
6 enrolled in a charter school and who is active in a parent-
7 teacher organization or school site council.

8 C. No employee or official of the school district
9 or a charter school shall be appointed to the citizens' bond
10 oversight committee.

11 D. The citizens' bond oversight committee shall
12 keep the public informed concerning the expenditure of bond
13 proceeds and shall actively review and report on the
14 expenditure of taxpayers' money for school capital
15 improvements. In furtherance of that purpose, the oversight
16 committee shall:

17 (1) review and comment on the school
18 district's or charter school's master plan, including any
19 deferred maintenance plans, and the purposes for which bonds
20 are being issued;

21 (2) ensure that bond proceeds are expended
22 only for the purposes for which the bonds were issued;

23 (3) ensure that no bond proceeds are used for
24 faculty or administrative salaries or other school district or
25 charter school operating expenses;

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1 (4) receive and review copies of any
2 independent financial or performance audits pertaining to bond
3 proceeds;

4 (5) inspect school district and charter school
5 facilities and grounds to ensure that bond revenues are
6 expended in compliance with state and federal laws, the school
7 district or charter school master plan and the purposes for
8 which bonds were issued; and

9 (6) review and make recommendations on efforts
10 by the school district or charter school to maximize bond
11 proceeds by implementing cost-saving measures, including:

12 (a) mechanisms designed to reduce the
13 cost of professional fees;

14 (b) mechanisms designed to reduce the
15 cost of site preparation;

16 (c) recommendations regarding the joint
17 use of facilities, as appropriate; and

18 (d) mechanisms designed to reduce costs
19 by incorporating energy and other efficiencies in school and
20 site design.

21 E. The school district, without expending bond
22 proceeds, shall provide the citizens' bond oversight committee
23 with necessary technical and administrative assistance and
24 shall publicize the oversight committee's conclusions.

25 F. All meetings of the citizens' bond oversight

1 committee are subject to the provisions of the Open Meetings
2 Act.

3 G. The citizens' bond oversight committee shall
4 issue an annual report of its activities, findings and
5 recommendations. The report shall be made available to the
6 public on the school district's internet web site."

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