

1 SENATE BILL 165

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Clemente Sanchez

5
6
7 ENDORSED BY THE NEW MEXICO FINANCE AUTHORITY

8 OVERSIGHT COMMITTEE

9
10 AN ACT

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

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

17 "3-31-8. REVENUE BONDS--REFUNDING AUTHORIZATION--
18 AUTHORITY TO MORTGAGE MUNICIPAL UTILITY.--

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

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1 outstanding issues:

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

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

9 (3) for the purpose of modifying or
10 eliminating restrictive contractual limitations pertaining to
11 the issuance of additional bonds, otherwise concerning the
12 outstanding bonds or to any facilities relating thereto; or

13 (4) for any combination of such purposes.

14 B. The municipality may pledge irrevocably for the
15 payment of interest and principal on refunding bonds the
16 appropriate pledged revenues, which may be pledged to an
17 original issue of bonds as provided in Section 3-31-1 NMSA
18 1978, ~~[Nothing in this section shall permit the pledge of the~~
19 ~~gross receipts tax revenue to the payment of bonds that refund~~
20 ~~utility bonds, joint utility bonds or gasoline tax revenue~~
21 ~~bonds or the pledge of gasoline tax revenue to the payment of~~
22 ~~bonds that refund utility bonds, joint utility bonds or gross~~
23 ~~receipts tax revenue bonds or the pledge of any revenues of any~~
24 ~~utility or joint utility to the payment of bonds that refund~~
25 ~~gross receipts tax revenue bonds or gasoline tax revenue bonds]~~

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1 and it may pledge revenues from one source to the payment of
2 bonds that refund bonds payable from a different source of
3 revenue.

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

7 D. In addition to pledging of utility revenues to
8 the payment of the refunding revenue bonds that refund utility
9 bonds or joint utility bonds as provided in Section
10 3-23-4 NMSA 1978, the municipality may grant by ordinance, or
11 by resolution if the refunding revenue bonds are issued and
12 sold to the New Mexico finance authority pursuant to Subsection
13 C of Section 3-31-4 NMSA 1978, a mortgage of the municipal
14 utility that has been solely financed by revenue bonds to the
15 bondholder or a trustee for the benefit and security of the
16 holders of the refunding revenue bonds."

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