

**ARTICLE 7
FIRE DISTRICT BONDS**

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5-7-1. Short title.

This act [5-7-1 to 5-7-7 NMSA 1978] may be cited as the "Fire District Bond Act."

History: Laws 1983, ch. 162, § 1.

5-7-2. Definitions.

As used in the Fire District Bond Act [5-7-1 to 5-7-7 NMSA 1978]:

- A. "fire district bonds" means the bonds authorized in the Fire District Bond Act;
- B. "governing body" means the board of county commissioners of a county or the city council, city commission or board of trustees of a municipality;
- C. "pledged revenues" means the revenues, net income or net revenues authorized to be pledged to the payment of particular bonds as specifically provided in Section 3 [5-7-3 NMSA 1978] of the Fire District Bond Act; and
- D. "project revenues" means the net revenues of the fire district as well as revenues received by the fire district from the fire protection fund as provided in Sections 59-15-1 through 59-15-18 NMSA 1978 [repealed], which may be pledged to fire district bonds pursuant to Subsection B of Section 3 of the Fire District Bond Act.

History: Laws 1983, ch. 162, § 2.

5-7-3. Fire district bonds; authority to issue; pledge of revenues; limitation on time of issuance.

A. In addition to any other law authorizing a county or municipality to issue revenue bonds, a county or municipality may issue fire district bonds pursuant to the Fire District Bond Act [5-7-1 to 5-7-7 NMSA 1978] for the purposes specified in this section.

B. Fire district bonds may be issued for acquiring, extending, enlarging, bettering, repairing, improving, constructing, purchasing, furnishing, equipping and rehabilitating any fire district project, including, where applicable, purchasing, otherwise acquiring or improving the ground therefore, or for any combination of the foregoing purposes. The county or municipality may pledge irrevocably any or all of the project revenues provided for the operation of the fire district project for which the particular bonds are issued to the payment of the interest on and principal of such bonds. The net revenues of any fire district project shall not be pledged to the bonds issued for any fire district project which clearly is unrelated in its purpose; but nothing in this section shall prevent the pledge to any of such bonds of any such revenues received from any existing, future or disconnected facilities and equipment which are related to and which may constitute a part of the particular fire district project. Any general determination by the governing body of the county or municipality that any facilities or equipment are reasonably related to and shall constitute a part of a specified fire district project shall be conclusive if set forth in the proceedings authorizing such fire district bonds.

History: Laws 1983, ch. 162, § 3.

5-7-4. Use of proceeds of bond issue.

It is unlawful to divert, use or expend any money received from the issuance of fire district bonds for any purpose other than the purposes for which the bonds were issued.

History: Laws 1983, ch. 162, § 4.

5-7-5. Fire district bonds; terms.

County or municipal fire district bonds:

A. shall bear interest at a coupon rate or coupon rates not exceeding the maximum coupon rate which is permitted by the Public Securities Act [6-14-1 to 6-14-3 NMSA 1978]; provided that interest shall be payable annually or semiannually and may or may not be evidenced by coupons; and provided further that the first interest payment date may be for interest accruing for any period not exceeding one year;

B. may be subject to a prior redemption at the county's or municipality's option at such time or times and upon such terms and conditions, with or without the payment of such premium or premiums, as may be provided by ordinance;

C. may mature at any time or times not exceeding twenty years after the date of issuance;

D. may be serial in form and maturity or may consist of one bond payable at one time or in installments;

E. shall be sold for cash at, above or below par and at a price which results in a net effective interest rate which does not exceed the maximum permitted by the Public Securities Act; and

F. may be sold at public or private sale.

History: Laws 1983, ch. 162, § 5.

5-7-6. Ordinance authorizing fire district bonds; two-thirds majority required.

A. At a regular or special meeting called for the purpose of issuing fire district bonds as authorized in Section 3 [5-7-3 NMSA 1978] of the Fire District Bond Act, the governing body may adopt an ordinance that:

- (1) declares the necessity for issuing fire district bonds;
- (2) authorizes the issuance of fire district bonds by an affirmative vote of two-thirds of all the members of the governing body; and
- (3) designates the source of the pledged revenues.

History: Laws 1983, ch. 162, § 6.

5-7-7. Fire district bonds not general county or municipal obligations; authentication.

A. Fire district bonds or refunding bonds issued as authorized in the Fire District Bond Act [5-7-1 to 5-7-7 NMSA 1978] are:

- (1) not general obligations of the county or municipality; and
- (2) collectible only from the proper pledged revenues, and each bond shall state that it is payable solely from the proper pledged revenues and that the bondholders may not look to any other county or municipal fund for the payment of the interest and principal of the bonds.

B. The bonds and coupons shall be signed and sealed as provided by the ordinance issuing the same, and the Uniform Facsimile Signature of Public Officials Act [6-9-1 to 6-9-6 NMSA 1978] shall be applicable.

History: Laws 1983, ch. 162, § 7.