

Opinion No. 45-4812

October 27, 1945

BY: C. C. McCULLOH, Attorney General

TO: Mr. C. R. Sebastian State Comptroller Santa Fe, New Mexico

{*150} In your letter dated October 26, 1945, you enclose a letter to you from the City Attorney of Hobbs, together with a copy of Ordinance No. 104, providing for the issuance of General Obligation Sewer Bonds by the City in 1938.

In addition to the full faith and credit of the City, the Ordinance pledges net revenues from the operation of the sewer system to the payment of the principal. Subsequent to the enactment of this ordinance, another ordinance was enacted levying special assessments on the property benefited by the sewer improvements, but this latter ordinance was declared invalid by the District Court. The City is wondering whether it can now refund the original General Obligation Bonds, and omit the revenue features contained in the original Ordinance.

Section 7-624 of the N.M. 1941 Compilation authorizes refunding of bonds by municipalities, and if the consent of the bond holders is obtained, I see no reason why refunding bonds could not be issued, with the revenue features omitted.