

Opinion No. 52-5516

March 17, 1952

BY: JOE L. MARTINEZ, Attorney General

TO: Mr. Edward M. Hartman State Comptroller Santa Fe, New Mexico

{*227} On March 10, 1952, you asked for an opinion upon two questions concerning the City of Clovis, which heretofore authorized the issuance of sewer revenue bonds in the amount of \$ 150,000.

The inquiry asked whether the city could use \$ 35,000 out of the proceeds of the bonds to be issued to purchase street lighting equipment for an urban road project.

The second inquiry posed the question whether the city could purchase a generating plant and form an electric utility out of the proceeds of the sewer revenue bonds.

The answer to both of these questions is "No." Your attention is respectfully directed to Section 14-3507, New Mexico Statutes Annotated, and Section 14-3535, both being the same, which require that any municipality, which has obtained money by the issuance of bonds, shall use the money for the purpose for which it was obtained. The City of Clovis must use the proceeds of its bonds for the purpose for which the bond issue was approved and for no other purpose, no matter how laudable.

I trust that this fully answers your inquiry.