

PROPOSED

SENATE FINANCE COMMITTEE SUBSTITUTE FOR
SENATE BILL 304

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
MAKING AN APPROPRIATION TO THE RURAL LIBRARIES ENDOWMENT FUND
FROM THE TAX STABILIZATION RESERVE.

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

SECTION 1. Section 6-4-2.2 NMSA 1978 (being Laws 1987,
Chapter 264, Section 3 and Laws 1987, Chapter 347, Section 3,
as amended) is amended to read:

"6-4-2.2. GENERAL FUND TAX STABILIZATION RESERVE.--

A. The "tax stabilization reserve" is created
within the state treasury as a reserve fund of the state.

B. The tax stabilization reserve consists of money
directed or appropriated to it by law and all income from
investment of the reserve. The state investment officer,
subject to the approval of the state investment council, shall

.228092.1

underscored material = new
[bracketed material] = delete

1 invest money in the reserve:

2 (1) in accordance with the prudent investor
3 rule set forth in the Uniform Prudent Investor Act; and

4 (2) in consultation with the state treasurer.

5 C. The state investment officer shall report
6 quarterly to the legislative finance committee and the state
7 investment council on the investments made pursuant to this
8 section. Annually, a report shall be submitted no later than
9 October 1 each year to the legislative finance committee, the
10 revenue stabilization and tax policy committee and any other
11 appropriate interim committees.

12 D. Except as otherwise provided in Subsection E of
13 this section, [~~and~~] Subsection B of Section 6-4-4 NMSA 1978 and
14 Section 2 of this 2024 act, any balance of the tax
15 stabilization reserve may be:

16 (1) appropriated only by a two-thirds'
17 majority vote of both houses of the legislature following
18 receipt by the legislature of a declaration of the governor
19 that such an appropriation is necessary for the public peace,
20 health and safety; or

21 (2) expended by the governor only:
22 (a) pursuant to an appropriation made by
23 a two-thirds' majority vote of both houses of the legislature
24 specifying the amount of the appropriation and the purpose of
25 the expenditure; and

1 (b) if the governor declares that the
2 expenditure is necessary for the public peace, health and
3 safety.

4 E. If general fund revenues, including all
5 transfers to the general fund authorized by law, are projected
6 by the governor to be insufficient either to meet the level of
7 appropriations authorized by law from the general fund for the
8 current fiscal year or to meet the level of appropriations
9 recommended in the budget and appropriations bill submitted in
10 accordance with Section 6-3-21 NMSA 1978 for the next fiscal
11 year, the balance in the tax stabilization reserve may be
12 appropriated by the legislature up to the amount of the
13 projected insufficiency for either or both fiscal years."

14 SECTION 2. APPROPRIATION.--Thirty million dollars
15 (\$30,000,000) is appropriated from the tax stabilization
16 reserve to the rural libraries endowment fund for expenditure
17 in fiscal year 2025 and subsequent fiscal years for the
18 purposes of the fund. Any unexpended or unencumbered balance
19 remaining at the end of a fiscal year shall not revert to the
20 tax stabilization reserve.

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