

AN ACT

RELATING TO PUBLIC FINANCE; ESTABLISHING INVESTMENT CRITERIA FOR
LOCAL GOVERNMENT PERMANENT FUNDS.

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

Section 1. Section 6-6-19 NMSA 1978 (being Laws 1989, Chapter 276,
Section 3) is amended to read:

"6-6-19. LOCAL GOVERNMENT PERMANENT FUND.--

A. The local governing body of a county or municipality may by ordinance establish a local government permanent fund and a local government income fund.

B. The local government permanent fund shall constitute a fund in the treasury of the county or municipality into which may be deposited at the end of a fiscal year an amount of the unappropriated general fund surplus. The amount that may be deposited into the local government permanent fund is any portion of the unappropriated general fund surplus that is in excess of fifty percent of the prior fiscal year's budget of the county or municipality. Money in the permanent fund may be appropriated or expended only pursuant to approval of the voters of the county or municipality as provided in Subsection E of this section.

C. Money in the local government permanent fund may be invested by the local board of finance for the county or municipality in the types of investments specified in Section 6-10-10 NMSA 1978 and as specified in Sections 6-10-36 and 6-10-44 NMSA 1978. Earnings from the investment of the permanent fund shall be deposited in the local government income fund in the treasury of the county or

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municipality. Money in the income fund may be budgeted and appropriated by the local governing body for expenditure for any purpose of the county or municipality or may be deposited in the permanent fund.

D. Investment authority for a local government permanent fund shall be as follows:

(1) if the fund is less than ten million dollars (\$10,000,000), it shall be invested as other funds of the local government; and

(2) if the fund is ten million dollars (\$10,000,000) or over, it may be invested as funds of class A counties are invested.

E. The governing body of a county or municipality may adopt a resolution calling for an election on the question of expenditure of any amount of the local government permanent fund for a specified county or municipal purpose. The election shall be held within sixty days after the action of the governing body. The election shall be called, conducted, counted and canvassed substantially in the manner provided by law for general elections within the county or special municipal elections under the Municipal Election Code. If a majority of the registered voters of the county or municipality voting on the question vote for the expenditure of a specified amount of the local government permanent fund for a specified county or municipal purpose, then that amount of money shall be available for appropriation and expenditure by the county or municipality for that purpose. If a majority of the registered voters of the county or municipality voting on the question vote against the expenditure of a specified amount of the local government permanent fund for a specified county or municipal purpose, then money in the local government permanent fund shall not be expended or appropriated for that purpose. Following an election at

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which the question was not approved, the question shall not again be submitted to the voters of that county or municipality within one year of the date of that election."

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