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SENATE BILL 722

**47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006**

INTRODUCED BY

Gerald P. Ortiz y Pino

AN ACT

RELATING TO PUBLIC FINANCES; ESTABLISHING DUTIES AND  
OBLIGATIONS OF THE STATE BOARD OF FINANCE AND THE STATE  
TREASURER; RECONCILING MULTIPLE AMENDMENTS TO THE SAME SECTION  
OF LAW IN LAWS 2005; DECLARING AN EMERGENCY.

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

Section 1. Section 6-1-1 NMSA 1978 (being Laws 1923,  
Chapter 76, Section 3, as amended) is amended to read:

"6-1-1. MEMBERSHIP OF STATE BOARD OF FINANCE--POWERS AND  
DUTIES--ESTABLISHMENT IN CONNECTION WITH THE BOARD OF FINANCE  
DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION.--

A. The state board of finance shall consist of  
seven members:

- (1) the governor;
- (2) the lieutenant governor;

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(3) the state treasurer; and  
(4) four members appointed by the governor with the advice and consent of the senate, subject to the following conditions:

(a) no more than two of these members ~~[to]~~ shall be from the same political party; and

(b) one member shall have no fewer than three years of professional experience in the field of finance or investments.

B. The terms of office for members appointed by the governor shall be two years. The term of each remaining member shall be coextensive with ~~[his]~~ the member's term of office. If the office of lieutenant governor becomes vacant, ~~[his]~~ the lieutenant governor's position on the state board of finance shall remain vacant until the election and qualification of a new lieutenant governor.

C. Members of the state board of finance, other than the governor and the state treasurer, shall be reimbursed for attending meetings of the board as provided in the Per Diem and Mileage Act and shall receive no other compensation, perquisite or allowance.

D. The governor shall be president of the state board of finance, and the board shall annually elect a secretary from its membership. Meetings of the board shall be held at the state capitol at times determined by the governor.

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1 Four voting members of the board constitute a quorum for the  
2 transaction of business. Minutes of all proceedings and  
3 transactions of the board shall be kept in the offices of the  
4 department of finance and administration.

5 E. The state board of finance, in addition to other  
6 powers and duties provided by law, has general supervision of  
7 the fiscal affairs of the state and of the safekeeping,  
8 investing and depositing of all money and securities belonging  
9 to or in the custody of the state, and it may make rules [~~and~~  
10 ~~regulations~~] for carrying out the provisions of Sections 6-1-1,  
11 6-1-1.1, 6-10-2, 6-10-3, 6-10-10, 6-10-10.1, 6-10-20, 6-10-21,  
12 6-10-25, 6-10-29, 6-10-37 through 6-10-44, 6-10-46, 6-10-47,  
13 6-10-50, 6-10-52 through 6-10-54, 6-10-58 and 6-10-61 NMSA  
14 1978. The state board of finance may:

15 (1) adopt policies and enact rules concerning:

16 (a) procedures for investing and  
17 handling state money and money entrusted to the state for  
18 investment by the state treasurer pursuant to law;

19 (b) relationships with investment  
20 advisors or broker dealers who work with the state treasurer's  
21 office, including establishing standards for the use,  
22 qualification, supervision, compensation and regulation of  
23 investment advisors and broker dealers;

24 (c) public disclosure of state  
25 investments; and

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1                   (d) the establishment of public and  
2 internal reporting and other requirements to increase public  
3 access to information about the activities of the state  
4 treasurer's office and to assist the state board of finance in  
5 supervising compliance with the rules adopted pursuant to this  
6 section;

7                   (2) recommend to the legislature proposed  
8 changes in statutes governing the deposit and investment of  
9 public funds;

10                   (3) establish and supervise a whistleblower  
11 program that will solicit information regarding the activities  
12 of the state treasurer's office;

13                   (4) hire an independent auditor to perform a  
14 fiduciary audit of the state treasurer's office;

15                   (5) undertake investigations it deems  
16 necessary to enable it to perform the duties imposed on it by  
17 law; and

18                   (6) instruct the director of the board of  
19 finance division of the department of finance and  
20 administration to employ experts, auditors, accountants and  
21 attorneys as required, to set forth their duties and to fix  
22 their compensation within the appropriations made for that  
23 purpose by the legislature for use by the state board of  
24 finance.

25                   F. The state board of finance shall have access to

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1 all reports and correspondence relating to the condition of  
2 banks, and of savings and loan associations whose deposits are  
3 insured by an agency of the United States, in this state which  
4 are in the possession of the financial institutions division of  
5 the regulation and licensing department or any department or  
6 agency of the state. If the board deems action necessary to  
7 enable it to perform its duties, it may require the director of  
8 the financial institutions division to make a special  
9 examination of any state bank or trust company or any state  
10 savings and loan association whose deposits are insured by an  
11 agency of the United States.

12 ~~[F. The state board of finance may make~~  
13 ~~investigations it deems necessary to enable it to perform the~~  
14 ~~duties imposed on it by law and may instruct the director of~~  
15 ~~the board of finance division to employ experts, auditors,~~  
16 ~~accountants and attorneys as it may, from time to time, deem~~  
17 ~~necessary and prescribe their duties and fix their compensation~~  
18 ~~within the appropriations made for that purpose by the~~  
19 ~~legislature for use by the board.]~~

20 G. The state board of finance is established in  
21 connection with the board of finance division of the department  
22 of finance and administration. The secretary of finance and  
23 administration, with the approval of the board, shall appoint a  
24 director of the division. This subsection shall not be  
25 construed to affect the exercise of any board power or duty nor

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1 shall it be construed as placing the board under the provisions  
2 of the Executive Reorganization Act or the provisions of  
3 Section 9-6-5 NMSA 1978."

4 Section 2. A new Section 6-1-1.1 NMSA 1978 is enacted to  
5 read:

6 "6-1-1.1. [NEW MATERIAL] STATE TREASURER'S INVESTMENT  
7 COMMITTEE.--

8 A. The "state treasurer's investment committee" is  
9 created and shall consist of the following five members:

10 (1) the state treasurer;

11 (2) one member of the state board of finance  
12 appointed by the chair of the state board of finance;

13 (3) the director of the board of finance  
14 division of the department of finance and administration; and

15 (4) two public members.

16 B. One public member shall be selected by the state  
17 treasurer and may be a representative from an entity that has  
18 funds deposited with the state treasurer, and the second public  
19 member shall be selected by the state board of finance. The  
20 public members shall have at least three years of professional  
21 experience in the field of finance or investments.

22 C. A public member of the state treasurer's  
23 investment committee shall:

24 (1) serve a term of two years from the date of  
25 the public member's appointment; and

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1 (2) be reimbursed for attending meetings of  
2 the state treasurer's investment committee as provided in the  
3 Per Diem and Mileage Act and shall receive no other  
4 compensation.

5 D. The state treasurer's investment committee  
6 shall:

7 (1) periodically review the state treasurer's  
8 investment policies and recommend modifications as needed;

9 (2) provide advice to the state treasurer  
10 regarding the selection of investments;

11 (3) identify potential violations of the law  
12 and of the state treasurer's rules adopted by the state board  
13 of finance, report potential violations to the state board of  
14 finance and suggest remedial action to achieve conformity with  
15 the applicable laws, policies and rules;

16 (4) provide periodic reports as required by  
17 the state board of finance concerning the activities of the  
18 state treasurer's office and investment of public funds under  
19 the state treasurer's control; and

20 (5) meet monthly and shall be subject to the  
21 Open Meetings Act.

22 E. The state treasurer's investment committee may  
23 appoint an advisory committee that may include representatives  
24 from state agencies and local public bodies that have funds  
25 deposited with the state."

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1           Section 3. Section 6-10-10 NMSA 1978 (being Laws 1933,  
2 Chapter 175, Section 4, as amended by Laws 2005, Chapter 238,  
3 Section 1 and by Laws 2005, Chapter 239, Section 1) is amended  
4 to read:

5           "6-10-10. DEPOSIT AND INVESTMENT OF FUNDS.--

6           A. Upon the certification or designation of a bank,  
7 savings and loan association or credit union whose deposits are  
8 insured by an agency of the United States to receive public  
9 money on deposit, the state treasurer and county or municipal  
10 treasurers who have on hand any public money by virtue of their  
11 offices shall make deposit of that money in banks and savings  
12 and loan associations, and may make deposit of that money in  
13 credit unions whose deposits are insured by an agency of the  
14 United States, designated by the authority authorized by law to  
15 so designate to receive the deposits of all money thereafter  
16 received or collected by the treasurers.

17           B. County or municipal treasurers may deposit money  
18 in one or more accounts with any such bank, savings and loan  
19 association or credit union located in their respective  
20 counties, subject to limitation on credit union accounts.

21           C. The state treasurer may deposit money in one or  
22 more accounts with any such bank, savings and loan association  
23 or credit union, subject to the limitation on credit union  
24 accounts.

25           D. Duplicate receipts or deposit slips shall be

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1 taken for each deposit made pursuant to Subsection A, B or C of  
2 this section. When deposits are made by the state treasurer,  
3 one copy of the receipt or deposit slip shall be retained by  
4 the state treasurer and the other copy shall be filed monthly  
5 on the first day of each month with the financial control  
6 division of the department of finance and administration. When  
7 deposits are made by the treasurer or any other authorized  
8 person making the deposits for a board of finance of a public  
9 or educational institution, one copy of the receipt or deposit  
10 slip shall be retained by the treasurer or authorized person  
11 making the deposit and the other copy shall be filed monthly on  
12 the first day of each month with that board of finance. When  
13 deposits are made by a county or municipal treasurer, one of  
14 the duplicate receipts or deposit slips shall be retained by  
15 the treasurer making the deposit and the other copy shall be  
16 filed monthly on the first day of each month with the secretary  
17 of the board of finance of the county or municipality for which  
18 that treasurer is acting.

19 E. "Deposit", as used in this section, means either  
20 investment or deposit and includes share, share certificate and  
21 share draft.

22 F. County or municipal treasurers, with the advice  
23 and consent of their respective boards of finance charged with  
24 the supervision and control of the respective funds, [~~have the~~  
25 ~~power to~~] may invest all sinking funds or money remaining

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1 unexpended from the proceeds of any issue of bonds or other  
2 negotiable securities of any county, municipality or school  
3 district that is entrusted to their care and custody and all  
4 money not immediately necessary for the public uses of the  
5 counties, municipalities or school districts not invested or  
6 deposited in banks, savings and loan associations or credit  
7 unions in:

8 (1) bonds or negotiable securities of the  
9 United States, the state or a county, municipality or school  
10 district that has a taxable valuation of real property for the  
11 last preceding year of at least one million dollars  
12 (\$1,000,000) and that has not defaulted in the payment of any  
13 interest or sinking fund obligation or failed to meet any bonds  
14 at maturity at any time within five years last preceding; or

15 (2) securities that are issued by the United  
16 States government or by its agencies or instrumentalities and  
17 that are either direct obligations of the United States, the  
18 federal home loan mortgage association, the federal national  
19 mortgage association, the federal farm credit bank, federal  
20 home loan banks or the student loan marketing association or  
21 that are backed by the full faith and credit of the United  
22 States government.

23 G. The treasurer of a class A county or the  
24 treasurer of a municipality having a population of more than  
25 sixty-five thousand according to the most recent federal

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1 decennial census and located within a class A county, with the  
2 advice and consent of the boards of finance charged with the  
3 supervision and control of the funds, [~~has the power to~~] may  
4 invest all sinking funds or money remaining unexpended from the  
5 proceeds of any issue of bonds or other negotiable securities  
6 of the county or municipality that is entrusted to the  
7 treasurer's care and custody and all money not immediately  
8 necessary for the public uses of the county or municipality not  
9 invested or deposited in banks, savings and loan associations  
10 or credit unions in:

11 (1) shares of a diversified investment company  
12 registered pursuant to the federal Investment Company Act of  
13 1940 that invests in fixed-income securities or debt  
14 instruments that are listed in a nationally recognized, broad-  
15 market, fixed-income-securities market index; provided that the  
16 investment company or manager has total assets under management  
17 of at least one hundred million dollars (\$100,000,000) and  
18 provided that the board of finance of the county or  
19 municipality may allow reasonable administrative and investment  
20 expenses to be paid directly from the income or assets of these  
21 investments;

22 (2) individual, common or collective trust  
23 funds of banks or trust companies that invest in fixed-income  
24 securities or debt instruments that are listed in a nationally  
25 recognized, broad-market, fixed-income-securities market index;

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1 provided that the investment company or manager has total  
2 assets under management of at least one hundred million dollars  
3 (\$100,000,000) and provided that the board of finance of the  
4 county or municipality may allow reasonable administrative and  
5 investment expenses to be paid directly from the income or  
6 assets of these investments; or

7 (3) shares of pooled investment funds managed  
8 by the state investment officer, as provided in Subsection G of  
9 Section 6-8-7 NMSA 1978; provided that the board of finance of  
10 the county or municipality may allow reasonable administrative  
11 and investment expenses to be paid directly from the income or  
12 assets of these investments.

13 H. A local public body, with the advice and consent  
14 of the body charged with the supervision and control of the  
15 local public body's respective funds, [~~has the power to~~] may  
16 invest all sinking funds or money remaining unexpended from the  
17 proceeds of any issue of bonds or other negotiable securities  
18 of the investor that is entrusted to the local public body's  
19 care and custody and all money not immediately necessary for  
20 the public uses of the investor and not otherwise invested or  
21 deposited in banks, savings and loan associations or credit  
22 unions in contracts with banks, savings and loan associations  
23 or credit unions for the present purchase and resale at a  
24 specified time in the future of specific securities at  
25 specified prices at a price differential representing the

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1 interest income to be earned by the investor. The contract  
2 shall be fully secured by obligations of the United States or  
3 other securities backed by the United States having a market  
4 value of at least one hundred two percent of the contract. The  
5 collateral required for investment in the contracts provided  
6 for in this subsection shall be shown on the books of the  
7 financial institution as being the property of the investor and  
8 the designation shall be contemporaneous with the investment.  
9 As used in this subsection, "local public body" includes all  
10 political subdivisions of the state and agencies,  
11 instrumentalities and institutions thereof; provided that home  
12 rule municipalities that prior to July 1, 1994 had enacted  
13 ordinances authorizing the investment of repurchase agreements  
14 may continue investment in repurchase agreements pursuant to  
15 those ordinances.

16 I. The state treasurer, with the advice and consent  
17 of the state board of finance, [~~has the power to~~] may invest  
18 money held in demand deposits and not immediately needed for  
19 the operation of state government and money held in the short-  
20 term investment fund, except as provided in Section 6-10-10.1  
21 NMSA 1978. The investments shall be made only in [~~securities~~  
22 ~~that are issued by the United States government or by its~~  
23 ~~departments or agencies and are either direct obligations of~~  
24 ~~the United States or are backed by the full faith and credit of~~  
25 ~~the United States government or agencies sponsored by the~~

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1 ~~United States government]~~ accordance with the provisions of  
2 this section.

3 J. The state treasurer, with the advice and consent  
4 of the state board of finance, may also invest in contracts for  
5 the present purchase and resale at a specified time in the  
6 future, not to exceed one year or, in the case of bond  
7 proceeds, not to exceed three years, of specific securities at  
8 specified prices at a price differential representing the  
9 interest income to be earned by the state. Such contract shall  
10 not be invested in unless the contract is fully secured by  
11 obligations of the United States or its agencies or  
12 instrumentalities or by other securities backed by the United  
13 States or its agencies or instrumentalities having a market  
14 value of at least one hundred two percent of the amount of the  
15 contract. The securities required as collateral under this  
16 subsection shall be delivered to a third-party custodian bank  
17 pursuant to a contract with the state and the counterparty or  
18 to the fiscal agent of New Mexico or its designee. Delivery  
19 shall be made simultaneously with the transfer of funds or as  
20 soon as practicable, but no later than the same day that the  
21 funds are transferred.

22 K. The state treasurer, with the advice and consent  
23 of the state board of finance, may also invest in contracts for  
24 the temporary exchange of state-owned securities for the use of  
25 broker-dealers, banks or other recognized institutional

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1 investors in securities, for periods not to exceed one year for  
2 a specified fee rate. Such contract shall not be invested in  
3 unless the contract is fully secured by exchange of an  
4 irrevocable letter of credit running to the state, cash or  
5 equivalent collateral of at least one hundred two percent of  
6 the market value of the securities plus accrued interest  
7 temporarily exchanged. The collateral required by this  
8 subsection shall be delivered to the fiscal agent of New Mexico  
9 or its designee simultaneously with the transfer of funds or as  
10 soon as practicable, but no later than the same day that the  
11 state-owned securities are transferred.

12 ~~[L. The collateral required for either of the forms~~  
13 ~~of investment in Subsection J or K of this section shall be~~  
14 ~~delivered to the fiscal agent of New Mexico or its designee~~  
15 ~~contemporaneously with the transfer of funds or delivery of the~~  
16 ~~securities at the earliest time industry practice permits, but~~  
17 ~~in all cases, settlement shall be on a same-day basis.~~

18 M.] L. Neither of the contracts in Subsection J or  
19 K of this section shall be invested in unless the contracting  
20 bank, brokerage firm or recognized institutional investor has a  
21 net worth in excess of five hundred million dollars  
22 (\$500,000,000).

23 ~~[N.]~~ M. The state treasurer, with the advice and  
24 consent of the state board of finance, may also invest in any  
25 of the following investments in an amount not to exceed forty

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1 percent of any fund that the state treasurer invests:

2 (1) commercial paper rated "prime" quality by  
3 a national rating service, issued by corporations organized and  
4 operating within the United States;

5 (2) medium-term notes and corporate notes with  
6 a maturity not exceeding five years that are rated A or its  
7 equivalent or better by a nationally recognized rating service  
8 and that are issued by a corporation organized and operating in  
9 the United States; or

10 (3) an asset-backed obligation with a maturity  
11 not exceeding five years that is rated AAA or its equivalent by  
12 a nationally recognized rating service.

13 ~~[0-]~~ N. The state treasurer, with the advice and  
14 consent of the state board of finance, may also invest in:

15 (1) shares of ~~[a]~~ an open-ended diversified  
16 investment company ~~[registered pursuant to the federal~~  
17 ~~Investment Company Act of 1940 that invests in United States~~  
18 ~~fixed income securities or debt instruments authorized pursuant~~  
19 ~~to Subsections I, J and N of this section, provided that the~~  
20 ~~investment company has total assets under management of at~~  
21 ~~least one billion dollars (\$1,000,000,000) and the investments~~  
22 ~~made by the state treasurer pursuant to this paragraph are less~~  
23 ~~than five percent of the assets of the investment company; or]~~  
24 that:

25 (a) is registered with the United States

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1 securities and exchange commission;

2 (b) complies with the diversification,  
3 quality and maturity requirements of Rule 2a-7, or any  
4 successor rule, of the United States securities and exchange  
5 commission applicable to money market mutual funds; and

6 (c) assesses no fees pursuant to Rule  
7 12b-1, or any successor rule, of the United States securities  
8 and exchange commission, no sales load on the purchase of  
9 shares and no contingent deferred sales charge or other similar  
10 charges, however designated, provided that the state shall not,  
11 at any time, own more than five percent of a money market  
12 mutual fund's assets; or

13 (2) individual, common or collective trust  
14 funds of banks or trust companies that invest in United States  
15 fixed income securities or debt instruments authorized pursuant  
16 to Subsections I, J and [N] M of this section, provided that  
17 the investment manager has assets under management of at least  
18 one billion dollars (\$1,000,000,000) and the investments made  
19 by the state treasurer pursuant to this paragraph are less than  
20 five percent of the assets of the individual, common or  
21 collective trust fund.

22 [~~P.~~] O. Public funds to be invested in negotiable  
23 securities or loans to financial institutions fully secured by  
24 negotiable securities at current market value shall not be paid  
25 out unless there is a contemporaneous transfer of the

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1 securities at the earliest time industry practice permits, but  
2 in all cases, settlement shall be on a same-day basis either by  
3 physical delivery or, in the case of uncertificated securities,  
4 by appropriate book entry on the books of the issuer, to the  
5 purchaser or to a reputable safekeeping financial institution  
6 acting as agent or trustee for the purchaser, which agent or  
7 trustee shall furnish timely confirmation to the purchaser."

8 Section 4. Section 6-10-10.1 NMSA 1978 (being Laws 1988,  
9 Chapter 61, Section 2, as amended) is amended to read:

10 "6-10-10.1. SHORT-TERM INVESTMENT FUND CREATED--  
11 DISTRIBUTION OF EARNINGS--REPORT OF INVESTMENTS.--

12 A. There is created in the state treasury the  
13 "short-term investment fund". The fund shall consist of all  
14 deposits from governmental entities and Indian tribes or  
15 pueblos that are placed in the custody of the state treasurer  
16 for short-term investment purposes pursuant to this section.  
17 The state treasurer shall maintain a separate account for each  
18 governmental entity and Indian tribe or pueblo having deposits  
19 in the fund.

20 B. If a local public body is unable to receive  
21 payment on public money at the rate of interest as set forth in  
22 Section 6-10-36 NMSA 1978 from financial institutions within  
23 the geographic boundaries of the governmental unit, then a  
24 local public finance official having money of that local public  
25 body in [his] that official's custody not required for current

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1 expenditure may, with the consent of the appropriate local  
2 board of finance, if any, remit some or all of such money to  
3 the state treasurer for deposit for the purpose of short-term  
4 investment as allowed by this section.

5 C. Before local funds are invested or reinvested  
6 for the purpose of short-term investment pursuant to this  
7 section, the local public body finance official shall notify  
8 and make such funds available to banks, savings and loan  
9 associations and credit unions located within the geographical  
10 boundaries of their respective governmental unit, subject to  
11 the limitation on credit union accounts. To be eligible for  
12 such funds, the financial institution shall pay to the local  
13 public body the rate established by the state treasurer  
14 pursuant to a policy adopted by the state board of finance for  
15 such short-term investments.

16 D. The local public body finance official shall  
17 specify the length of time a deposit shall be in the short-term  
18 investment fund, but in any event the deposit shall not be made  
19 for more than one hundred eighty-one days. The state treasurer  
20 through the use of the state fiscal agent shall separately  
21 track each such deposit and shall make such information  
22 available to the public upon written request.

23 E. The state treasurer shall invest the short-term  
24 investment fund as provided for state funds under Section  
25 6-10-10 NMSA 1978 in investments with a maturity at the time of  
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1 purchase that does not exceed three hundred ninety-seven days.  
2 The state treasurer may elect to have the short-term investment  
3 fund consolidated for investment purposes with the state funds  
4 under the control of the state treasurer; provided that  
5 accurate and detailed accounting records are maintained for the  
6 account of each participating entity and Indian tribe or pueblo  
7 and that a proportionate amount of interest earned is credited  
8 to each of the separate government accounts. The fund shall be  
9 invested to achieve its objective, which is to realize the  
10 maximum return consistent with safe and prudent management.

11 F. At the end of each month, all net investment  
12 income or losses from investment of the short-term investment  
13 fund shall be distributed by the state treasurer to the  
14 contributing entities and Indian tribes or pueblos in amounts  
15 directly proportionate to the respective amounts deposited in  
16 the fund and the length of time the amounts in the fund were  
17 invested. The state treasurer shall charge participating  
18 entities, Indian tribes and pueblos reasonable audit,  
19 administrative and investment expenses to be paid directly from  
20 their net investment income for the investment and  
21 administrative services provided pursuant to this section.

22 G. Investments of the short-term investment fund  
23 shall be made in such a manner that the fund maintains an "AA"  
24 or higher rating. Each fiscal year and at times directed by  
25 the state board of finance, the state treasurer shall cause to

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1 have the short-term investment fund rated by a nationally  
2 recognized statistical rating organization. If the rating  
3 received by the fund is lower than "AA", the state treasurer  
4 shall immediately submit a plan to the state board of finance  
5 detailing the steps that will be taken to obtain an "AA" or  
6 higher rating.

7 [G.] H. As used in this section, "local public  
8 body" means a political subdivision of the state, including  
9 school districts and post-secondary educational institutions.

10 [H.] I. In addition to the deposit of funds of  
11 local public bodies, the state treasurer may also accept for  
12 deposit, deposit and account for, in the same manner as funds  
13 of local public bodies, funds of the following governmental  
14 entities if the governing authority of the entity approves by  
15 resolution the deposit of the funds for the short-term  
16 investment:

17 (1) the agricultural commodity commission  
18 established under the Agricultural Commodity Commission Act;

19 (2) the Albuquerque metropolitan arroyo flood  
20 control authority established under the Arroyo Flood Control  
21 Act;

22 (3) the business improvement district  
23 management committee established under the Business Improvement  
24 District Act;

25 (4) the New Mexico community development

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1 council established under the New Mexico Community Assistance  
2 Act;

3 (5) the governing authority of only special  
4 districts authorized under Chapter 73 NMSA 1978;

5 (6) the board of trustees established under  
6 the Economic Advancement District Act;

7 (7) the board of directors of a corporation or  
8 foundation established under the Educational Assistance Act;

9 (8) a board of directors established under the  
10 Flood Control District Act;

11 (9) the New Mexico hospital equipment loan  
12 council established under the Hospital Equipment Loan Act;

13 (10) the authority established under the  
14 Industrial and Agricultural Finance Authority Act;

15 (11) the authority established under the Las  
16 Cruces Arroyo Flood Control Act;

17 (12) the authority established under the  
18 Mortgage Finance Authority Act;

19 (13) the authority established under the  
20 Municipal Mortgage Finance Act;

21 (14) the authority established under the  
22 Public School Insurance Authority Act;

23 (15) the authority established under the  
24 Southern Sandoval County Arroyo Flood Control Act;

25 (16) a board of trustees established under the

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1 Special Hospital District Act;

2 (17) the authority established under the  
3 New Mexico Finance Authority Act; and

4 (18) the corporation established under the  
5 Small Business Investment Act.

6 ~~[F.]~~ J. In addition to the deposit of funds of  
7 local public bodies, the state treasurer may also accept for  
8 deposit and deposit and account for, in the same manner as  
9 funds of local public bodies, funds of any Indian tribe or  
10 pueblo in the state if authorized to do so under a joint powers  
11 agreement executed by the state treasurer and the governing  
12 authority of the Indian tribe or pueblo under the provisions of  
13 the Joint Powers Agreements Act."

14 Section 5. Section 8-6-3 NMSA 1978 (being Laws 1851-1852,  
15 Page 170, as amended) is amended to read:

16 "8-6-3. DUTIES OF TREASURER--RECEIPTS.--

17 A. The state treasurer shall receive and keep all  
18 ~~[moneys]~~ money of the state except when otherwise specially  
19 provided; disburse the public money upon warrants drawn  
20 according to law and not otherwise; keep a just, true and  
21 comprehensive account of all ~~[moneys]~~ money received and  
22 disbursed; render ~~[his]~~ the state treasurer's accounts to the  
23 ~~[division of]~~ financial control division of the department of  
24 finance and administration annually, or ~~[oftener]~~ more often if  
25 required; and report to the legislature, at the commencement of

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1 each regular session, a detailed statement of the condition of  
2 the treasury. ~~[He]~~ The state treasurer shall grant duplicate  
3 receipts for all ~~[sums of]~~ money ~~[which shall be]~~ paid into the  
4 treasury, and the person receiving the ~~[same]~~ duplicate  
5 receipts shall deposit one with the ~~[division of]~~ financial  
6 control ~~[who]~~ division, which shall credit ~~[such]~~ the person  
7 accordingly and charge the state treasurer.

8 B. The state treasurer shall comply with all  
9 directives, requirements and policies made applicable to the  
10 state treasurer's office by the state board of finance pursuant  
11 to the board's authority granted by law."

12 Section 6. A new Section 8-6-8 NMSA 1978 is enacted to  
13 read:

14 "8-6-8. [NEW MATERIAL] STATE TREASURER CAMPAIGN  
15 CONTRIBUTIONS--CONFLICTS OF INTEREST--FINANCIAL DISCLOSURE.--

16 A. In addition to the requirements of the Campaign  
17 Reporting Act, within thirty days after receiving campaign  
18 contributions totaling two hundred fifty dollars (\$250) or more  
19 from the same contributor, the state treasurer or a candidate  
20 for the office of state treasurer shall file with the state  
21 board of finance a report disclosing the contribution. The  
22 report shall identify:

- 23 (1) the name and address of the contributor;  
24 (2) the occupation and business name of the  
25 contributor;

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1 (3) the name of the employer of the  
2 contributor;

3 (4) the amount or value of the contribution;

4 (5) the date of the contribution;

5 (6) a statement as to whether the contributor  
6 directly or indirectly performs or seeks to perform business  
7 with the state treasurer's office; and

8 (7) whether a person who resides in the  
9 household of the contributor, a family member or employee of  
10 the contributor or the contributor's employer performs or seeks  
11 to perform business directly or indirectly with the state  
12 treasurer's office.

13 B. The state board of finance may prohibit the  
14 state treasurer from personally participating directly or  
15 indirectly in a decision affecting a contributor reported  
16 pursuant to Subsection A of this section or affecting a person  
17 who resides in the household of the contributor, is a family  
18 member or employee of the contributor or is the contributor's  
19 employer. In the event that the state treasurer is prohibited  
20 from participating in a decision pursuant to this subsection,  
21 the state treasurer shall recuse himself and leave the meeting  
22 at which the discussion and decision are to take place and  
23 appoint one qualified member of the state treasurer's staff who  
24 has no relationship with the contributor or to the contribution  
25 to participate in the meeting as a proxy or to aid in making

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1 the decision.

2 C. The state treasurer or any person employed by  
3 the state treasurer's office shall not solicit, receive or  
4 accept campaign contributions or any other thing of value  
5 directly or indirectly from a person who:

6 (1) has a current contract with the state  
7 treasurer's office;

8 (2) is a potential bidder, offeror or  
9 contractor for the provision of services to the state  
10 treasurer's office;

11 (3) is an organization, association or other  
12 legal entity having a membership that includes persons  
13 described in this subsection; or

14 (4) is an employee of the state treasurer's  
15 office.

16 D. The state treasurer and each employee of the  
17 state treasurer's office as designated by the state board of  
18 finance shall file an annual report with the state board of  
19 finance disclosing all personal, financial or business  
20 relationships with banks, financial institutions, financial  
21 advisers or persons who perform or seek to perform business  
22 with the state treasurer's office. The report shall include:

23 (1) the name and address of the person with  
24 whom the relationship exists;

25 (2) the business affiliation of the person

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1 with whom the relationship exists;

2 (3) a statement as to whether the person with  
3 whom the relationship exists directly or indirectly performs or  
4 seeks to perform business with the state treasurer's office;  
5 and

6 (4) the nature of the relationship between the  
7 state treasurer or employee of the state treasurer's office and  
8 the person with whom the relationship exists.

9 E. As used in this section:

10 (1) "relationship" means a direct or indirect  
11 financial interest or a direct or indirect personal or business  
12 relationship, including handling of the financial or investment  
13 accounts of the person making the report or a member of the  
14 family or household of that person; and

15 (2) "thing of value" includes a contribution  
16 to a charitable or other organization, exempting only  
17 contributions to recognized political campaign organizations."

18 Section 7. EMERGENCY.--It is necessary for the public  
19 peace, health and safety that this act take effect immediately.

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22  
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