

AN ACT

RELATING TO TAXATION; INCREASING THE DISTRIBUTION FROM THE TAX ADMINISTRATION SUSPENSE FUND TO THE RETIREE HEALTH CARE FUND; PROVIDING FOR A STUDY OF ISSUES CONCERNING THE RETIREE HEALTH CARE FUND; MAKING AN APPROPRIATION.

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

Section 1. A new section of the Tax Administration Act is enacted to read:

"DISTRIBUTION--RETIREE HEALTH CARE FUND.--In addition to the distribution made pursuant to Section 7-1-6.30 NMSA 1978, for the period beginning July 1, 2007 and ending June 30, 2010, a distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the retiree health care fund in the amount of two hundred fifty thousand dollars (\$250,000)."

Section 2. RETIREE HEALTH CARE FUND--STUDY-- APPROPRIATION.--

A. The New Mexico legislative council, the legislative finance committee, the governor and the retiree health care authority shall jointly appoint a staff working group to study issues relating to the retiree health care fund. The working group shall:

(1) taking into account the latest actuarial study, examine the long-term actuarial trend and condition of the fund;

(2) examine the equitable nature of the current contribution rates between retirees and current employees;

(3) determine the percent of the fund balance derived from state sources versus the percent derived from the sources of political subdivisions, compare those percentages with the expenditures from the fund for state retirees versus retirees of the political subdivisions and study the feasibility of creating two separate programs for the two classes of retirees;

(4) examine options to improve the actuarial soundness of the fund;

(5) evaluate the need for, and the feasibility of, securing the fund as an irrevocable trust;

(6) consult with such experts as are necessary to accomplish its duties; and

(7) report its findings and recommendations to the governor, the New Mexico legislative council, the legislative finance committee and the retiree health care authority no later than December 15, 2007.

B. One hundred thousand dollars (\$100,000) is appropriated from legislative cash balances to the legislative council service for expenditure in fiscal years 2007 and 2008 for the purposes of performing the study pursuant to Subsection A of this section. Any unexpended or unencumbered

balance remaining at the end of fiscal year 2008 shall revert
to legislative cash balances. _____

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