

1 HOUSE BILL 523

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

4 Mimi Stewart

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9  
10 AN ACT

11 RELATING TO PUBLIC SCHOOL FINANCE; REQUIRING REIMBURSEMENT OF  
12 THE STATE-SUPPORT RESERVE TO MAINTAIN STATUTORY CREDIT BALANCE.

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

15 SECTION 1. Section 22-8-31 NMSA 1978 (being Laws 1967,  
16 Chapter 16, Section 84, as amended) is amended to read:

17 "22-8-31. STATE-SUPPORT RESERVE FUND.--

18 A. The "state-support reserve fund" is created.

19 B. The state-support reserve fund shall be used  
20 only to augment the appropriations for the state equalization  
21 guarantee distribution in order to [~~insure~~] ensure, to the  
22 extent of the amount undistributed in the fund, that the  
23 maximum figures for such distribution established by law shall  
24 not be reduced.

25 C. The undistributed money in the state-support

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underscored material = new  
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1 reserve fund shall be invested by the state treasurer in  
2 interest-bearing securities of the United States government or  
3 in certificates of deposit in qualified banks and in savings  
4 and [~~loans~~] loan associations whose deposits are insured with  
5 an agency of the United States. The state treasurer may  
6 deposit money from the state-support reserve fund or any other  
7 fund in one or more accounts with any such bank or federally  
8 insured savings and loan association, but the state treasurer,  
9 in any official capacity, shall not deposit money from [~~said~~]  
10 that fund or any other fund in any one [~~such~~] federally insured  
11 savings and loan association the aggregate of which would  
12 exceed the amount of federal savings and loan insurance  
13 corporation insurance for a single public account. Income from  
14 these investments shall be periodically credited to the general  
15 fund.

16 D. At least forty-five days before the money is  
17 needed, the [~~chief~~] secretary shall notify the state treasurer  
18 in writing of the amount that will be needed for distribution.

19 E. In the event that local or federal revenues as  
20 defined in Section [~~77-6-19 NMSA 1953~~] 22-8-25 NMSA 1978 are  
21 received after May 31 of the fiscal year for which the state  
22 equalization guarantee distribution is being computed and it is  
23 therefore necessary to use money from the state-support reserve  
24 fund to augment the appropriation for the state equalization  
25 guarantee distribution, the [~~chief~~] secretary, upon receipt by

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~~[bracketed material]~~ = delete

1 the school district of the delayed local or federal revenues,  
2 shall deduct the appropriate amount from the current state  
3 equalization guarantee distribution to that school district and  
4 reimburse the state-support reserve fund in the amount of the  
5 deduction.

6 F. ~~[It is the intent of the legislature that]~~ The  
7 state-support reserve fund shall be reimbursed in the amount of  
8 the yearly distribution by appropriation in the year following  
9 the distribution so that the fund at the beginning of each  
10 fiscal year shall have a credit balance of at least ten million  
11 dollars (\$10,000,000).

12 G. Distribution from ~~[this]~~ the state-support  
13 reserve fund shall be made in the same manner and on the same  
14 basis as the state equalization guarantee distribution."