

HOUSE BILL 393

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Tomás E. Salazar

Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO PUBLIC FINANCE; SFC→**TRANSFERRING THE TAX STABILIZATION RESERVE TO THE STATE TREASURY;**←SFC PROVIDING FOR THE INVESTMENT OF MONEY IN THE TAX STABILIZATION RESERVE BY THE STATE INVESTMENT OFFICER.

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 347, Section 3, as amended) is amended to read:

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

A. SFC→~~There is created within the general fund the~~

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

B. The [~~balance of the~~] tax stabilization reserve [~~shall be those funds~~] consists of money directed or appropriated to it by law and [~~such other funds as the legislature may appropriate from time to time to the reserve~~] all income from investment of the reserve. The state investment officer, subject to the approval of the state investment council, shall invest money in the reserve:

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

(2) in consultation with the state treasurer.

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

[~~E.~~] D. Except as otherwise provided in Subsection [~~D~~] E of this section, any balance of the tax stabilization reserve may be:

(1) appropriated only by a [~~two-thirds~~] two-thirds' majority vote of both houses of the legislature

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following receipt by the legislature of a declaration of the governor that such an appropriation is necessary for the public peace, health and safety; or

(2) expended by the governor only:

(a) pursuant to an appropriation made by a ~~[two-thirds]~~ two-thirds' majority vote of both houses of the legislature specifying the amount of the appropriation and the purpose of the expenditure; and

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

~~[D. In the event that the]~~ E. If general fund revenues, including all transfers to the general fund authorized by law, are projected by the governor to be insufficient either to meet the level of appropriations authorized by law from the general fund for the current fiscal year or to meet the level of appropriations recommended in the budget and appropriations bill submitted in accordance with Section 6-3-21 NMSA 1978 for the next fiscal year, the balance in the tax stabilization reserve may be appropriated by the legislature up to the amount of the projected insufficiency for either or both fiscal years."

**SECTION 2. EFFECTIVE DATE.**--The effective date of the provisions of this act is July 1, 2019.