

1 HOUSE BILL 393

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Tomás E. Salazar

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10 AN ACT

11 RELATING TO PUBLIC FINANCE; PROVIDING FOR THE INVESTMENT OF
12 MONEY IN THE TAX STABILIZATION RESERVE BY THE STATE INVESTMENT
13 OFFICER.

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

16 SECTION 1. Section 6-4-2.2 NMSA 1978 (being Laws 1987,
17 Chapter 347, Section 3, as amended) is amended to read:

18 "6-4-2.2. GENERAL FUND TAX STABILIZATION RESERVE.--

19 A. There is created within the general fund the
20 "tax stabilization reserve".

21 B. The [~~balance of the~~] tax stabilization reserve
22 [~~shall be those funds~~] consists of money directed or
23 appropriated to it by law and [~~such other funds as the~~
24 ~~legislature may appropriate from time to time to the reserve~~]
25 all income from investment of the reserve. The state

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1 investment officer, subject to the approval of the state
2 investment council, shall invest money in the reserve:

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

5 (2) in consultation with the state treasurer.

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

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

16 (1) appropriated only by a [~~two-thirds~~] two-
17 thirds' majority vote of both houses of the legislature
18 following receipt by the legislature of a declaration of the
19 governor that such an appropriation is necessary for the public
20 peace, health and safety; or

21 (2) expended by the governor only:

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

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(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.