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AN ACT

RELATING TO PUBLIC FINANCE; TRANSFERRING THE TAX
STABILIZATION RESERVE TO THE STATE TREASURY; 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. The "tax stabilization reserve" is created
within the state treasury as a reserve fund of the state.

B. The tax stabilization reserve consists of money
directed or appropriated to it by law and 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

1 October 1 each year to the legislative finance committee, the
2 revenue stabilization and tax policy committee and any other
3 appropriate interim committees.

4 D. Except as otherwise provided in Subsection E of
5 this section, any balance of the tax stabilization reserve
6 may be:

7 (1) appropriated only by a two-thirds'
8 majority vote of both houses of the legislature following
9 receipt by the legislature of a declaration of the governor
10 that such an appropriation is necessary for the public peace,
11 health and safety; or

12 (2) expended by the governor only:

13 (a) pursuant to an appropriation made
14 by a two-thirds' majority vote of both houses of the
15 legislature specifying the amount of the appropriation and
16 the purpose of the expenditure; and

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

20 E. If general fund revenues, including all
21 transfers to the general fund authorized by law, are
22 projected by the governor to be insufficient either to meet
23 the level of appropriations authorized by law from the
24 general fund for the current fiscal year or to meet the level
25 of appropriations recommended in the budget and

1 appropriations bill submitted in accordance with Section
2 6-3-21 NMSA 1978 for the next fiscal year, the balance in the
3 tax stabilization reserve may be appropriated by the
4 legislature up to the amount of the projected insufficiency
5 for either or both fiscal years."

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

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