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## FISCAL IMPACT REPORT

SPONSOR Rodriguez ORIGINAL DATE 1/26/2021  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Federally Insured Obligations SB 64  
ANALYST Nichols

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

New Mexico Association of Counties (NMAC)

#### No Response Received

New Mexico Municipal League (NMML)

### SUMMARY

#### Synopsis of Bill

Senate Bill 64 proposes a technical amendment to NMSA 1978, Section 6-10-10(F) (3) by removing the phrase “registry service” and replacing it with the phrase “placement services.” Counties and municipalities would be authorized to invest funds in “certificate of deposit account placement services.”

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

There are no anticipated fiscal implications from SB64.

**SIGNIFICANT ISSUES**

Currently, Section 6-10-10(F) (3) NMSA 1978 references the certificate of deposit account registry service (CDARS), which is a for-profit service that breaks up large deposits and places them across a network of more than 3,000 banks and savings associations. SB64 would replace that language to reference a generic service – a certificate of deposit account placement service – providing greater flexibility to county and municipal treasurers. Both the currently-permitted certificate of deposit account registry service and the proposed certificate of deposit account placement services allow depositors to invest with a participating Federal Deposit Insurance Corporation (FDIC)-insured depository institution to avoid having funds above the FDIC deposit insurance limit in any one bank.

New Mexico Counties supports the technical fix to update the statutory language to a generic term.

AN/al