

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 196

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

AN ACT

RELATING TO PUBLIC FINANCE; CREATING THE GOVERNMENT RESULTS AND
OPPORTUNITY EXPENDABLE TRUST AND THE GOVERNMENT RESULTS AND
OPPORTUNITY PROGRAM FUND; PROVIDING FOR DISTRIBUTIONS FROM THE
GOVERNMENT RESULTS AND OPPORTUNITY EXPENDABLE TRUST TO THE
GOVERNMENT RESULTS AND OPPORTUNITY PROGRAM FUND; CHANGING A
PROVISION OF LAW THAT CURRENTLY TRANSFERS CERTAIN EXCESS
REVENUE TO THE TAX STABILIZATION RESERVE TO INSTEAD TRANSFER
THE EXCESS REVENUE TO THE GOVERNMENT RESULTS AND OPPORTUNITY
EXPENDABLE TRUST; REQUIRING THE STAFF OF THE LEGISLATIVE
FINANCE COMMITTEE AND THE STATE BUDGET DIVISION OF THE
DEPARTMENT OF FINANCE AND ADMINISTRATION TO ANALYZE THE
ACCOUNTABILITY IN GOVERNMENT ACT AND MAKE RECOMMENDATIONS TO
THE LEGISLATIVE FINANCE COMMITTEE FOR CHANGES TO THAT ACT.

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

.228067.4

underscoring material = new
~~[bracketed material] = delete~~

1 SECTION 1. A new section of Chapter 6, Article 4 NMSA
2 1978 is enacted to read:

3 "[NEW MATERIAL] GOVERNMENT RESULTS AND OPPORTUNITY
4 EXPENDABLE TRUST.--

5 A. The "government results and opportunity
6 expendable trust" is created as a nonreverting fund in the
7 state treasury. The trust shall consist of distributions,
8 appropriations, gifts, grants and donations. Income from
9 investment of the trust shall be credited to the trust. Money
10 in the trust shall be expended only as provided in this
11 section.

12 B. Beginning July 1, 2025 and July 1 of each year
13 thereafter, a distribution shall be made from the government
14 results and opportunity expendable trust to the government
15 results and opportunity program fund in an amount equal to
16 twenty-five percent of the balance of the trust or one hundred
17 million dollars (\$100,000,000), whichever is greater; provided
18 that if the balance of the trust is less than one hundred
19 million dollars (\$100,000,000), the balance of the trust shall
20 be distributed. For fiscal year 2025, any unexpended or
21 unencumbered balance remaining after the distribution is made
22 in that fiscal year shall be included in the calculation of
23 state reserves.

24 C. In addition to the distribution pursuant to
25 Subsection B of this section, money in the government results

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1 and opportunity expendable trust may be expended in the event
 2 that general fund balances, including all authorized revenues
 3 and transfers to the general fund and balances in the general
 4 fund operating reserve, will not meet the level of
 5 appropriations authorized from the general fund for a fiscal
 6 year. In that event, the legislature may appropriate from the
 7 government results and opportunity expendable trust to the
 8 general fund only in the amount necessary to meet general fund
 9 appropriations for that fiscal year and only if the legislature
 10 has authorized a transfer from the general fund operating
 11 reserve that exhausts that fund balance."

12 SECTION 2. A new section of Chapter 6, Article 4 NMSA
 13 1978 is enacted to read:

14 "[NEW MATERIAL] GOVERNMENT RESULTS AND OPPORTUNITY PROGRAM
 15 FUND.--The "government results and opportunity program fund" is
 16 created as a nonreverting fund in the state treasury. The fund
 17 consists of distributions, appropriations, gifts, grants,
 18 donations and income from investment of the fund. The
 19 department of finance and administration shall administer the
 20 fund. Money in the fund is subject to appropriation by the
 21 legislature. Expenditures from the fund shall be by warrant of
 22 the secretary of finance and administration pursuant to
 23 vouchers signed by the secretary of finance and administration
 24 or the secretary's authorized representative."

25 SECTION 3. Section 6-4-4 NMSA 1978 (being Laws 1987,

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1 Chapter 347, Section 4, as amended) is amended to read:

2 "6-4-4. [~~TRANSFERS BETWEEN GENERAL FUND RESERVES~~]
3 TRANSFER FROM THE GENERAL FUND TO THE GOVERNMENT RESULTS AND
4 OPPORTUNITY EXPENDABLE TRUST--TRANSFER FROM THE TAX
5 STABILIZATION RESERVE TO THE GENERAL FUND OPERATING RESERVE.--

6 A. [~~For the seventy-seventh and subsequent fiscal~~
7 ~~years~~] If the revenues of the general fund exceed the total of
8 appropriations from the general fund, the excess revenue shall
9 be transferred to the general fund operating reserve; provided
10 that if the sum of the excess revenue plus the balance in the
11 general fund operating reserve prior to the transfer is greater
12 than eight percent of the aggregate recurring appropriations
13 from the general fund for the previous fiscal year, then an
14 amount equal to the smaller of either the amount of the excess
15 revenue or the difference between the sum and eight percent of
16 the aggregate recurring appropriations from the general fund
17 for the previous fiscal year shall be transferred to the [~~tax~~
18 ~~stabilization reserve~~] government results and opportunity
19 expendable trust.

20 B. If the balance in the general fund operating
21 reserve as of the end of a fiscal year is less than one percent
22 of aggregate general fund appropriations for that fiscal year,
23 as determined by the department of finance and administration,
24 then an amount equal to the smaller of either one percent of
25 aggregate general fund appropriations for that fiscal year or

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1 the amount necessary to bring the balance of the general fund
2 operating reserve to one percent of aggregate general fund
3 appropriations for that fiscal year shall be transferred from
4 the tax stabilization reserve to the general fund operating
5 reserve."

6 SECTION 4. TEMPORARY PROVISION--REVIEW OF THE
7 ACCOUNTABILITY IN GOVERNMENT ACT--REPORT TO LEGISLATURE.--
8 During the 2024 legislative interim, the staff of the
9 legislative finance committee and the state budget division of
10 the department of finance and administration shall meet
11 regularly to examine and analyze the provisions of the
12 Accountability in Government Act to determine if changes to
13 that act could be made to ensure more cost-effective and
14 responsive government services. On or before December 15,
15 2024, the staff shall report their findings and make
16 recommendations for legislative changes if any are found to be
17 necessary to the legislative finance committee.

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