

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 223

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

JOSEPH A. FIDEL

AN ACT

RELATING TO PUBLIC MONEY; AUTHORIZING THE STATE TREASURER TO
ISSUE TAX AND REVENUE ANTICIPATION NOTES; MAKING AN
APPROPRIATION; DECLARING AN EMERGENCY.

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

Section 1. SHORT TITLE. -- This act may be cited as the
"Short-Term Cash Management Act".

Section 2. PURPOSE. -- The purpose of the Short-Term Cash
Management Act is to ensure an orderly and uninterrupted flow of
money to the general fund by anticipating the receipt of taxes
and other state revenues into the general fund and authorizing
the state treasurer to issue short-term notes payable from those
anticipated receipts.

Section 3. DEFINITIONS. -- As used in the Short-Term Cash
Management Act:

Underscored material = new
[bracketed material] = delete

Underscored material = new
[bracketed material] = delete

- 1 A. "anticipated revenue" means tax receipts and
2 other state revenues that are to be credited by law to the
3 general fund;
- 4 B. "anticipation notes" means state of New Mexico
5 tax and revenue anticipation notes; and
- 6 C. "general fund" means the fund created in Section
7 6-4-2 NMSA 1978 to which the state treasurer credits all revenue
8 not otherwise allocated by law.

9 Section 4. STATE TREASURER CERTIFICATION. --Whenever the
10 state treasurer deems it necessary to issue anticipation notes
11 pursuant to the Short-Term Cash Management Act, the state
12 treasurer shall certify that:

- 13 A. the issuance of anticipation notes is necessary
14 to regulate cash flow in the general fund;
- 15 B. the issuance of anticipation notes will not have
16 an adverse impact on the general fund;
- 17 C. the issuance of anticipation notes is in the best
18 interest of the state;
- 19 D. the amount of anticipation notes proposed for
20 issuance is reasonable under existing and anticipated market
21 conditions and complies with the requirements of the Internal
22 Revenue Code of 1986, as amended, to the extent applicable; and
- 23 E. the payment of all interest and principal on
24 anticipation notes can be made on a timely basis.

25 Section 5. ANTICIPATION NOTES-- AUTHORIZATION-- STATE BOARD

Underscored material = new
[bracketed material] = delete

1 OF FINANCE APPROVAL. --

2 A. In order to anticipate the collection and receipt
3 of anticipated revenue and after certifying the need to issue
4 anticipation notes as provided in the Short-Term Cash Management
5 Act, the state treasurer may issue and sell one or more
6 anticipation notes. The anticipation notes shall mature not
7 later than the end of the fiscal year in which the anticipation
8 notes are issued and shall bear interest at rates permitted in
9 the Public Securities Act.

10 B. The state treasurer shall pledge the anticipated
11 revenue to secure the payment of the principal of and interest
12 on the anticipation notes.

13 C. Anticipation notes may be sold at a public or
14 negotiated sale at, above or below par.

15 D. Anticipation notes may be issued in an aggregate
16 principal amount not to exceed fifty percent of the anticipated
17 revenue that the state treasurer anticipates will be collected
18 by the state and credited to the general fund in the fiscal year
19 in which the notes are issued and will be available to pay the
20 principal of and interest on the anticipation notes.

21 E. Anticipation notes shall be issued by the state
22 treasurer pursuant to the Short-Term Cash Management Act only
23 upon approval by the state board of finance at a public meeting
24 held prior to the delivery of the anticipation notes.

25 Section 6. SOURCE OF REPAYMENT. --Principal of and interest

.114877.2

Underscored material = new
[bracketed material] = delete

1 on anticipation notes shall be payable solely from that portion
2 of anticipated revenue pledged for that purpose and collected by
3 the state for credit to the general fund in the fiscal year in
4 which the anticipation notes are issued.

5 Section 7. ANTICIPATION NOTES DEBT SERVICE FUND CREATED. --
6 The "anticipation notes debt service fund" is created in the
7 state treasury. Upon collection of anticipated revenue that has
8 been pledged for the payment of principal of and interest on the
9 outstanding anticipation notes, the state treasurer shall
10 deposit into the fund that portion of the pledged revenue
11 necessary for payment of the principal of and interest on
12 anticipation notes. Anticipated revenue in the fund is
13 appropriated to the state treasurer for the payment of
14 anticipation notes with interest at maturity. Money in the fund
15 shall be held for the benefit of the registered owner or owners
16 of the anticipation notes and for no other purpose.

17 Section 8. PROCEEDS FROM ANTICIPATION NOTES--ANTICIPATION
18 NOTES FUND CREATED--INVESTMENT. --The "anticipation notes fund"
19 is created in the state treasury. All proceeds from the sale of
20 anticipation notes shall be deposited in the fund. The state
21 treasurer shall invest the proceeds of anticipation notes as
22 provided in Section 6-10-10 NMSA 1978.

23 Section 9. ANTICIPATION NOTES--LEGAL INVESTMENT--TAX
24 EXEMPTION. --Anticipation notes issued by the state treasurer
25 pursuant to the Short-Term Cash Management Act are legal and

.114877.2

Underscored material = new
[bracketed material] = delete

1 authorized investments for banks, savings banks, trust
2 companies, savings and loan associations, insurance companies,
3 fiduciaries, trustees and guardians and for the sinking funds of
4 political subdivisions, departments, institutions and agencies
5 of the state. Anticipation notes are sufficient security for
6 all deposits of state funds and of all funds of any board in
7 control of public money at the par value of the anticipation
8 notes.

9 Section 11. EXPENSES.--The expenses incurred by the state
10 treasurer related to the issuance and sale of anticipation notes
11 shall be paid out of the proceeds from the sale of the
12 anticipation notes, and all rebate, penalty, interest and other
13 obligations of the state related to the anticipation notes and
14 anticipation notes proceeds under the Internal Revenue Code of
15 1986, as amended, shall be paid from the earnings on
16 anticipation notes proceeds or any money of the state legally
17 available for such payment.

18 Section 12. STATE TREASURER--DUTY TO MAKE PAYMENTS AND
19 KEEP RECORDS.--The state treasurer shall pay the principal of
20 and interest on outstanding anticipation notes and shall keep a
21 complete register showing the interest paid and principal
22 outstanding on all anticipation notes and such other records as
23 he deems appropriate.

24 Section 13. AUTHORITY FOR ISSUANCE.--The Short-Term Cash
25 Management Act, without reference to any other statute, shall be

.114877.2

Underscored material = new
[bracketed material] = delete

1 full authority for the issuance and sale of anticipation notes
2 and shall have all the qualities of investment securities under
3 the Uniform Commercial Code.

4 Section 14. ACTION TO COMPEL PERFORMANCE OF OFFICERS. --Any
5 holder of anticipation notes or any person who is a party in
6 interest may bring an action to enforce and compel the
7 performance of the provisions of the Short-Term Cash Management
8 Act.

9 Section 15. ANTICIPATION NOTES EXEMPT FROM TAXATION. --
10 Anticipation notes are exempt from taxation by the state or any
11 of its political subdivisions.

12 Section 16. ANTICIPATION NOTES NOT A GENERAL OBLIGATION OF
13 THE STATE. --Anticipation notes are not a general obligation of
14 the state, but are payable solely out of anticipated revenues
15 that have been pledged for their payment.

16 Section 17. EMERGENCY. --It is necessary for the public
17 peace, health and safety that this act take effect immediately.

1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997

3
4
5 February 11, 1997

6
7 Mr. President:

8
9 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
10 whom has been referred

11
12 SENATE BILL 223

13
14 has had it under consideration and reports same with
15 recommendation that it DO PASS.

16
17 Respectfully submitted,

18
19
20
21 _____
22 Roman M. Maes, III, Chairman

23
24
25 Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: None

Excused: Robinson, Maes

Absent: None

S0223CT1

Underscored material = new
[bracketed material] = delete

State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

February 28, 1997

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred

SENATE BILL 223

has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:

1. On page 5, line 9, strike "11" and insert in lieu thereof
"10".

2. Renumber the succeeding sections accordingly.

3. On page 6, between lines 15 and 16, add the following new
section:

"Section 16. DELAYED REPEAL. -- The Short-Term Cash Management
Act is repealed effective June 30, 1999."

FORTY- THIRD LEGISLATURE
FIRST SESSION, 1997

HTRC/SB 223

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

4. Renumber the succeeding section accordingly.,

and thence referred to the APPROPRIATIONS AND FINANCE
COMMI TTEE.

Respectfully submitted,

Jerry W. Sandel, Chair man

Adopted _____ Not Adopted _____
(Chi ef Clerk) (Chi ef Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

Excused: Crook, Gonzales, Lovejoy, Ryan, Sandoval

Absent: None

.117971.1

M \S0223

.114877.2

Underscored material = new
[bracketed material] = delete

**State of New Mexico
House of Representatives**

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 10, 1997

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred

SENATE BILL 223, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Max Coll, Chairman

Underscored material = new
[bracketed material] = delete

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 11 For 1 Against

Yes: 11

No: Bird

Excused: Buffett, Marquardt, Pearce, Saavedra, Watchman

Absent: None

M \S0223

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

FORTY-THIRD LEGISLATURE
FIRST SESSION

March 12, 1997

HOUSE FLOOR AMENDMENT number 1 to SENATE BILL 223, as amended

Amendment sponsored by Representative Luciano "Lucky" Varela

1. On page 3, line 14, after the period insert "Any negotiated sale shall be made with one or more investment bankers whose services are obtained through a competitive proposal process. For any sale, the state treasurer shall also procure through a competitive proposal process the services of any financial adviser and bond counsel, unless the state treasurer contracts with the state board of finance to employ the services of the board's financial adviser or bond counsel under contracts the board may have, from time to time, with those professionals."

Luciano "Lucky" Varela

Underscored material = new
[bracketed material] = delete

FORTY-THIRD LEGISLATURE
FIRST SESSION

1

2 SB 223

Page 14

3

4

5 Adopted _____ Not Adopted _____

6

(Chief Clerk)

(Chief Clerk)

7

8

Date _____

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25 18808.1

Underscored material = new
[bracketed material] = delete