

BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC FINANCES; INCREASING THE STANDARD OF CARE
FOR THE INVESTMENT OF THE WATER TRUST FUND.

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

SECTION 1. Section 72-4A-8 NMSA 1978 (being Laws 2001,
Chapter 164, Section 8) is amended to read:

"72-4A-8. WATER TRUST FUND--CREATED--INVESTMENT--
DISTRIBUTION.--

A. The "water trust fund" is created in the state
treasury. The fund shall consist of money appropriated,
donated or otherwise accrued to the fund. Money in the fund
shall be invested by the state investment officer ~~[as land~~
~~grant permanent funds are invested pursuant to Chapter 6,~~
~~Article 8 NMSA 1978]~~ in accordance with the limitations in
Article 12, Section 7 of the constitution of New Mexico.

.183103.1SA

underscored material = new
[bracketed material] = delete

1 Earnings from investment of the fund shall be credited to the
2 fund. Money in the fund shall not be expended for any purpose,
3 but an annual distribution shall be made to the water project
4 fund in accordance with Subsection B of this section.

5 B. On July 1 of fiscal year 2003 and on July 1 of
6 each fiscal year thereafter, an annual distribution shall be
7 made from the water trust fund to the water project fund in the
8 amount of four million dollars (\$4,000,000) until that amount
9 is less than an amount equal to four and seven-tenths percent
10 of the average of the year-end market values of the water trust
11 fund for the immediately preceding five calendar years.
12 Thereafter, the amount of the annual distribution shall be four
13 and seven-tenths percent of the average of the year-end market
14 values of the water trust fund for the immediately preceding
15 five calendar years."

16 SECTION 2. CONTINGENT EFFECTIVE DATE.--The provisions of
17 this act shall become effective upon certification by the
18 secretary of state that the constitution of New Mexico has been
19 amended as proposed by a joint resolution of the fiftieth
20 legislature, first session, entitled "A JOINT RESOLUTION
21 PROPOSING TO AMEND ARTICLE 12, SECTION 7 AND ARTICLE 16,
22 SECTION 6 OF THE CONSTITUTION OF NEW MEXICO TO INCREASE THE
23 DUTY OF CARE IN INVESTMENT OF THE LAND GRANT PERMANENT FUNDS
24 AND THE WATER TRUST FUND AND TO CHANGE THE LIMITATIONS ON
25 INVESTMENT OF THE LAND GRANT PERMANENT FUNDS."