

Investments and Pensions Oversight Committee (IPOC)-Endorsed Legislation

Pension-Related

HJM 19, Trujillo	<p>Requests the Public Employees Retirement Association (PERA) to assess options for changes to public employees' retirement plans to reduce unfunded accrued actuarial liability with a goal to bring the funding status to 100 percent by 2041 and report recommendations by October 2012.</p> <p>(IPOC proposal; memorial signed.)</p>
HB 72, Stewart	<p>Bases judicial and magistrate employer pension plan contributions on payroll rather than docket fees. Under current law, a portion of docket fees are allocated to fund judicial and magistrate retirement. The bill appropriates that portion of docket fees to the general fund and directs that same amount of funding to the PERA. The bill was calculated to be revenue neutral and intended to allow the PERA to accurately assess the ongoing security of the judicial and magistrate retirement funds.</p> <p>(IPOC proposal; bill vetoed by governor for second year in a row.)</p>
SM 18, Munoz	<p>Requests the formation of a task force to evaluate public safety retirement plans.</p> <p>(IPOC proposal; memorial signed.)</p>
SB 51, Munoz	<p>Provides that retirees under the Educational Retirement Board (ERB) who return to work and who do not suspend their retirement benefits are not required to pay employee contributions to the Educational Retirement Fund.</p> <p>(IPOC proposal; bill died in the senate.)</p>
SB 52, Munoz/Varela	<p>Allows public employee retirees to serve as precinct poll workers in municipal and state elections without having to suspend their pensions. Poll workers are designated as "seasonal employees" for purposes of the PERA membership requirements. Poll workers will not become members, nor will they earn service credit under the provisions of the Public Employees Retirement Act and will not be required to make member contributions.</p> <p>(IPOC proposal; bill signed on March 3, Chapter 26; note: SB 52 was a duplicate of SB 79, Rodriguez, which died in the senate.)</p>
SFC Substitute for SB 150, Ingle	<p>New employees under the Educational Retirement Act (ERA) would have had a minimum retirement age of 55 years and a minimum service requirement of eight years, and the employer and employee contribution rates for new and existing employees would have been increased. The bill, as proposed by the ERB, endorsed by the IPOC and introduced, would have established a minimum retirement age for members retiring on or after July 1, 2022, reduced the annual cost-of-living adjustment for retirement annuity payments by 12.5 percent for existing and future retirees and changed member and employer contribution rates to the Educational Retirement Fund.</p> <p>(Bill died in the house.)</p>

<u>Investment-Related</u>	
HJR 1, Trujillo	Proposes an amendment to Article 12, Section 7 of the Constitution of New Mexico to increase the standard of care exercised by the state investment officer in investing the land grant permanent funds (LGPF) and to remove the constitutional limitation on investment of the funds in international securities, leaving that limitation to be set only in statute. (Proposal brought to the IPOC by the State Investment Council (SIC); resolution died in the house.)
HB 21, Trujillo	Imposes a limit of 25 percent on the portion of the book value of the LGPF that may be invested in international equities at any one time. The bill would become effective upon the certification of the constitutional amendment discussed under HJR 1 that would remove the constitutional limitation on international investing. (Proposal brought to the IPOC by the SIC; bill died in the house.)
SJR 4, Cisneros	Proposes an amendment to Article 12, Section 7 of the Constitution of New Mexico to increase the standard of care exercised by the state investment officer in investing the LGPF and to remove the constitutional limitation on investment of the funds in international securities, leaving that limitation to be set only in statute. (Proposal brought to the IPOC by the SIC; resolution died in the senate.)
SB 28, Keller	Increases from nine percent to 10 percent the portion of the market value of the Severance Tax Permanent Fund (STPF) that may be invested in New Mexico private equity funds. Also, increases the percentage of the STPF automatically allocated to the Small Business Investment Corporation (SBIC) from one percent to two percent and requires that money allocated to the SBIC from the STPF that is not committed within three years of the allocation be returned to the STPF. (IPOC proposal; bill died in the senate.)
SB 53, Neville	Changes the membership of the SIC to: 1) replace the statewide elected officials, the governor, the state treasurer and the commissioner of public lands with members appointed by the elected officials; 2) remove the chief financial officer of a state institution of higher education; 3) replace the four members appointed by the New Mexico Legislative Council with one member each appointed by the president pro tempore of the senate, the minority floor leader of the senate, the speaker of the house of representatives and the minority floor leader of the house of representatives, all appointed with the advice and consent of the senate; 4) increase from two to four the public members appointed by the governor with the requirement that no more than two of the four public members be from the same political party. Requires that the chair and the vice chair of the SIC be elected by the SIC. Requires that the state investment officer be confirmed by the senate. Changes the powers and duties of the SIC, the state investment officer and SIC staff, and changes certain reporting deadlines. (IPOC proposal; bill died in the house.)

SB 41, Cisneros	Imposes a limit of 25 percent on the portion of the book value of the LGPF that may be invested in international equities at any one time. The bill would become effective upon the certification of the constitutional amendment discussed under SJR 4 that would remove the constitutional limitation on international investing. (Proposal brought to the IPOC by the SIC; bill died in the senate.)
SB 29, Keller/ Jimmie C. Hall	Clarifies the duties and responsibilities of the state treasurer regarding the deposit and accounting of public money. (Proposal brought to the IPOC by the state treasurer; bill died in the senate.)
Other Pension-Related Legislation Substantially Affecting Retirement System Solvency or the General Fund Budget	
HB 41, Kintigh	Amends the Public Employees Retirement Act to impose a minimum age of 62 years for legislators to receive pension benefits under the legislative pension coverage plans. (Bill died in the house.)
HB 42, Kintigh	Increases the annual member contribution rate for legislators in state legislator member coverage plan 2 from \$500 to \$600 and also changes the benefits calculation for legislators. Under prior law, the annual legislative pension benefit was calculated at 11 percent of the per diem rate in effect on December 31 of the calendar year in which the member retires, multiplied by 60 and further multiplied by years of credited legislative service. HB 42 changes the December 31 date to January 1 of the year in which the legislator retires. This allows the PERA to calculate the exact retirement benefit as of the date a legislator retires, rather than estimating retirement benefits for the first year of retirement based on an undetermined future per diem rate. (Bill signed on March 7, Ch. 61.)
HB 120, Vigil	Amends the Public Employees Retirement Act to include acequias and community ditch associations as public employers. (Bill died in the house.)
HB 141, Stewart	Allows PERA members to return to work and earn up to \$15,000 before their pensions are suspended. (Bill died in the house.)
HB 156, T. Garcia	Allows members employed by a hospital or medical center that is subsequently taken over by an affiliated public employer to purchase up to five years of service credit. (Bill died in the house.)
HB 209, Vigil	Allows motor transportation officers and officers in the Special Investigations Division of the Department of Public Safety (DPS) to elect to change their coverage plans in the PERA. (Bill died in the house.)

HB 226, Egolf	Repeals the two existing contribution swaps imposed on state employees and returns employee and employer contribution rates to pre-2009 statutory rates for state employee retirement plans. (Bill died in the house.)
HB 234, T. Garcia	Includes special hospital districts as public employers under the Public Employees Retirement Act. (Bill died in the house.)
HB 269, Stewart	Amends the ERA to provide for an increase in employee contributions and increases age and service requirements for retirement of non-vested members. (Bill died in the senate.)
HB 270, Stewart	Increases all PERA employee contributions; defines "public safety member"; reduces and delays cost-of-living adjustments for non-vested, non-public safety members; increases age and service requirements for retirement of non-vested, non-public safety members. (Bill died in the house.)
SB 115, Beffort	Creates additional salary tiers and changes the employee and employer contribution rates for certain retirement plans in the ERB. (Bill died in the senate.)
SB 228, Morales	Terminates all employee and employer contributions swaps effective July 1, 2012. (Bill died in the senate.)
SPAC Substitute for SB 259, Morales	Authorizes motor transportation officers and officers in the Special Investigations Division of the DPS to elect to change their coverage plans and become members in the enhanced state police and adult correctional officer plan. (Bill died in the senate.)
SB 274, Ingle	Reduces the amount of pension for non-vested PERA members by reducing the multiplier and increasing the number of years used to calculate the final average salary and provides that refunds of member contributions shall not include interest. (Bill died in the senate.)
SB 305, Cisneros	Increases employee contributions in the ERB and establishes increased retirement eligibility requirements for non-vested members. (Bill died in the senate.)
Other Investment-Related Legislation	
HJR 2, Trujillo/ Rodriguez	Proposes an amendment to Article 12, Section 7 of the Constitution of New Mexico to make permanent a 5.8 percent annual distribution from the LGPF to public schools and other LGPF beneficiaries, of which 0.8 percent shall be expended to implement and maintain educational reforms as provided by law. The current 5.8 percent distribution rate is scheduled to decline to 5.5 percent in FY 2013 and return to its base distribution of five percent starting in FY

	<p>2017. HJR 2 stipulates that, should the five-year average of the LGPF drop below \$6 billion, the additional 0.8 percent will be suspended during the current calendar year. The proposal also allows the additional 0.8 percent to be suspended by a three-fifths' vote by both the house and the senate. (Resolution died in the house.)</p>
HJR 15, Miera	<p>Proposes an amendment to Article 12, Section 7 of the Constitution of New Mexico to make permanent the 5.5 percent annual distribution from the LGPF to public schools and other LGPF beneficiaries starting in FY 2013. It also calls for additional distributions in FY 2014 through FY 2023 from the LGPF of 1.5 percent, with an increasing portion specifically earmarked for early childhood education programs. In FY 2024 and each subsequent fiscal year, an additional amount shall be distributed from only the Permanent School Fund equal to 0.3 percent without an earmark for early childhood education programs. The proposal provides that, should the five-year average of the LGPF drop below \$8 billion, the additional distribution will be suspended for the fiscal year. The proposal also allows for the additional distribution to be suspended by a three-fifths' vote by both the house and the senate. (Resolution died in the house.)</p>
HJR 21, Miera	<p>Proposes an amendment to Article 12, Section 7 of the Constitution of New Mexico to increase annual distributions from the LGPF to a new permanent base of 5.8 percent from FY 2013 forward, while implementing an additional 1.2 percent distribution for FY 2014 through FY 2023, for a total seven percent distribution during these years. For FY 2014 through FY 2016, a portion of the seven percent distribution, increasing from 0.5 percent in FY 2014 to 1.5 percent in FY 2016, is earmarked specifically for early childhood education, targeting children from birth to five years old. From FY 2016 through FY 2023, 1.5 percent of the total seven percent LGPF distribution is earmarked for early childhood education. HJR 21 also creates the "Public School Support Enhancement Fund" in the state treasury as a repository of the annual LGPF distributions, to be combined with legislative appropriations, gifts, grants and donations for administration by the Public Education Department as outlined by law. Should the five-year average of the LGPF drop below \$5.8 billion, the additional percentage earmarked for early childhood learning would not be distributed. (Resolution died in the house.)</p>
HB 50, Larrañaga/Beffort	<p>Increases severance tax contributions to the STPF by reducing by 50 percent the earmarked severance tax bonding capacity available for colonias infrastructure and tribal infrastructure projects. The capacity available for capital outlay projects authorized by the legislature would be reduced by about five percent. The capacity available for the supplemental severance tax bond program, which benefits public school facilities, would be unchanged. (Bill died in the house.)</p>
HB 123, Powdrell-Culbert	<p>Extends the angel investment credit through December 31, 2016. The angel investment credit expired, pursuant to the current law, on December 31, 2011. Subject to a number of limitations and reporting requirements, a taxpayer who files a New Mexico income tax return, who</p>

	<p>is not a dependent of another taxpayer, who is an accredited investor and who makes a qualified investment may claim a credit in an amount not to exceed 25 percent of not more than \$100,000 of a qualified investment. A qualified investment means a cash investment for equity in a qualified business that engages in high-technology research or manufacturing activities in New Mexico, has 100 or fewer employees calculated on a full-time-equivalent basis at the time of the investment and has not had gross revenues in excess of \$5 million in any fiscal year ending on or before the date of the investment. The investor may claim the credit on a maximum of two investments per year.</p> <p>(Bill signed on March 5, Ch. 38.)</p>
SJR 9, Michael S. Sanchez	<p>Proposes an amendment to Article 12, Section 7 of the Constitution of New Mexico to make permanent the 5.5 percent annual distribution from the LGPF to public schools and other LGPF beneficiaries starting in FY 2013. It also calls for an additional distribution from the LGPF of 1.5 percent specifically earmarked for early childhood education programs, to be operated by the public schools or through contracts with authorized private administrators. The proposal provides that should the five-year average of the LGPF drop below \$8 billion, the additional 1.5 percent will be suspended for the fiscal year. The proposal also allows the additional 1.5 percent to be suspended by a three-fifths' vote by both the house and the senate.</p> <p>(Resolution died in the senate.)</p>
SJM 17, Beffort	<p>Requests that the SIC and the State Board of Finance study the long-term impact on the STPF of intercepting most of the severance tax revenue for debt service, study whether the level of severance tax revenue used to service bond debt for public school facilities construction and renovation remains necessary and propose options to the appropriate interim committee for reducing the severance tax revenue intercepts.</p> <p>(Memorial died in the senate.)</p>
SB 246, Munoz	<p>Moves the administration and investment of the Education Trust Fund from the Education Trust Board to the SIC. Eliminates the Education Trust Board.</p> <p>(Bill died in the senate.)</p>
SB 268, Eric G. Griego	<p>Amends the Severance Tax Bonding Act to provide for a differential rate investment of a portion of the STPF in green industries as defined in the bill.</p> <p>(Bill died in the senate.)</p>