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SENATE BILL 40

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Timothy Z. Jennings

AN ACT

RELATING TO PUBLIC FINANCE; ESTABLISHING INVESTMENT CRITERIA
FOR LOCAL GOVERNMENT PERMANENT FUNDS.

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

Section 1. Section 6-6-19 NMSA 1978 (being Laws 1989,
Chapter 276, Section 3) is amended to read:

"6-6-19. LOCAL GOVERNMENT PERMANENT FUND. --

A. The local governing body of ~~[any]~~ a county or
municipality may by ordinance establish a local government
permanent fund and a local government income fund.

B. The local government permanent fund shall
constitute a fund in the treasury of the county or municipality
into which may be deposited at the end of ~~[every]~~ a fiscal year
an amount of the unappropriated general fund surplus. The
amount ~~[which]~~ that may be deposited into the local government

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1 permanent fund is any portion of the unappropriated general
2 fund surplus [~~which~~] that is in excess of fifty percent of the
3 prior fiscal year's budget of the county or municipality.

4 Money in the permanent fund may be appropriated or expended
5 only pursuant to approval of the voters of the county or
6 municipality as provided in Subsection [~~D~~] E of this section.

7 C. Money in the local government permanent fund may
8 be invested by the local board of finance for the county or
9 municipality [~~as~~] in the types of investments specified in
10 [~~Sections~~] Section 6-10-10 NMSA 1978 and as specified in
11 Sections 6-10-36 and 6-10-44 NMSA 1978. Earnings from the
12 investment of the permanent fund shall be deposited in the
13 local government income fund in the treasury of the county or
14 municipality. Money in the income fund may be budgeted and
15 appropriated by the local governing body for expenditure for
16 any purpose of the county or municipality or may be deposited
17 in the permanent fund.

18 D. Investment authority for a local government
19 permanent fund shall be as follows:

20 (1) if the fund is less than five million
21 dollars (\$5,000,000), it shall be invested as other funds of
22 the local government;

23 (2) if the fund is five million dollars
24 (\$5,000,000) to fifteen million dollars (\$15,000,000), it may
25 be invested as funds of class A counties are invested; and

1 (3) if the fund is fifteen million dollars
2 (\$15,000,000) or more, it may be invested as funds of the state
3 treasurer are invested.

4 [~~D-~~] E. The governing body of a county or
5 municipality may adopt a resolution calling for an election on
6 the question of expenditure of any amount of the local
7 government permanent fund for a specified county or municipal
8 purpose. The election shall be held within sixty days after
9 the action of the governing body. The election shall be
10 called, conducted, counted and canvassed substantially in the
11 manner provided by law for general elections within the county
12 or special municipal elections under the Municipal Election
13 Code. If a majority of the registered voters of the county or
14 municipality voting on the question vote for the expenditure of
15 a specified amount of the local government permanent fund for a
16 specified county or municipal purpose, then that amount of
17 money shall be available for appropriation and expenditure by
18 the county or municipality for that purpose. If a majority of
19 the registered voters of the county or municipality voting on
20 the question vote against the expenditure of a specified amount
21 of the local government permanent fund for a specified county
22 or municipal purpose, then [~~no~~] money in the local government
23 permanent fund [~~may~~] shall not be expended or appropriated for
24 that purpose. Following an election at which the question was
25 not approved, [~~that~~] the question shall not again be submitted

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1 to the voters of that county or municipality within one year of
2 the date of that election. "

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