

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 289

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
CHANGING THE COMPOSITION OF THE STATE INVESTMENT COUNCIL;
CHANGING THE METHOD OF APPOINTMENT OF PUBLIC MEMBERS OF THE
STATE INVESTMENT COUNCIL; DECLARING AN EMERGENCY.

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

Section 1. Section 6-8-2 NMSA 1978 (being Laws 1957,
Chapter 179, Section 2, as amended) is amended to read:

"6-8-2. STATE INVESTMENT COUNCIL.--

A. There is created a "state investment council".

The council shall be composed of:

~~[A.]~~ (1) the governor;

~~[B.]~~ (2) the state treasurer;

~~[C.]~~ (3) the commissioner of public lands;

~~[D.]~~ (4) the secretary;

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1 ~~[E. three public members appointed by the~~
2 ~~governor with the advice and consent of the senate;~~

3 ~~F. the state investment officer; and~~

4 ~~G.]~~ (5) the chief financial officer of a state
5 institution of higher education appointed by the governor with
6 the advice and consent of the senate;

7 (6) four members appointed by the New Mexico
8 legislative council with the advice and consent of the senate;
9 provided that no more than two members shall be members of the
10 same political party; and

11 (7) two members appointed by the governor with
12 the advice and consent of the senate.

13 B. The ~~[chairman]~~ chair of the council shall be the
14 governor, and the vice chair shall be selected by the council.
15 All actions of the council shall be by majority vote, and ~~[at~~
16 ~~least three members appointed pursuant to Subsections E and G~~
17 ~~of this section must be present to]~~ a majority of the members
18 shall constitute a quorum.

19 C. Members of the council appointed pursuant to
20 Paragraphs (6) and (7) of Subsection ~~[E]~~ A of this section
21 shall be reimbursed per diem and mileage pursuant to the
22 provisions of the Per Diem and Mileage Act."

23 Section 2. Section 6-8-3 NMSA 1978 (being Laws 1957,
24 Chapter 179, Section 3, as amended) is amended to read:

25 "6-8-3. COUNCIL TERMS AND QUALIFICATIONS.--

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1 A. Members of the council appointed ~~[by the~~
2 ~~governor]~~ pursuant to Paragraphs (6) and (7) of Subsection A of
3 Section 6-8-2 NMSA 1978, with the advice and consent of the
4 senate, shall serve for staggered terms of five years. Members
5 of the council shall serve until their successors are appointed
6 and have qualified.

7 B. The members of the council appointed pursuant to
8 Paragraphs (6) and (7) of Subsection [E] A of Section 6-8-2
9 NMSA 1978 shall be qualified by competence and no less than ten
10 years experience in the field of investment or finance. [~~During~~
11 ~~tenure, a member of the council shall not be engaged in any~~
12 ~~capacity in the sale of securities to the state.]~~ A member of
13 the council shall not have had any contracts to do business
14 with the state investment council, the investment office, the
15 office of the state treasurer, the educational retirement
16 board, the public employees retirement association, the New
17 Mexico finance authority or the state board of finance for a
18 period of two calendar years prior to the person's appointment
19 to the council and shall not enter into any contracts to do
20 business with any of the named state agencies or
21 instrumentalities for a period of two calendar years after the
22 end of the term for which the member was appointed. Members of
23 the council and officers and employees of the council shall be
24 governed by the provisions of the [~~Conflict of Interest]~~
25 Governmental Conduct Act. Nothing in this section or in the

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1 ~~[Conflict of Interest]~~ Governmental Conduct Act shall be
2 construed as prohibiting an officer of a financial institution
3 from participating as a member of the council in setting
4 general policies of the council, nor shall any provision of the
5 ~~[Conflict of Interest]~~ Governmental Conduct Act prohibit the
6 council or the state treasurer from depositing funds under the
7 jurisdiction of the council in any financial institution. A
8 council member shall not hold an office or employment in a
9 political party.

10 C. The member appointed pursuant to Paragraph (5)
11 of Subsection A of Section 6-8-2 NMSA 1978 shall serve at the
12 pleasure of the governor. ~~[Any]~~ A member of the council
13 appointed pursuant to Paragraph (6) or (7) of Subsection [E or
14 6] A of Section 6-8-2 NMSA 1978 may be removed from the council
15 by the governor, for cause, in the manner provided for removal
16 of members of boards of regents under Article 12, Section 13 of
17 the constitution of New Mexico. A vacancy in the membership of
18 the council occurring other than by expiration of term shall be
19 filled in the same manner as the original appointment but for
20 the unexpired term only."

21 Section 3. TEMPORARY PROVISIONS--TRANSITION MEMBERSHIP OF
22 STATE INVESTMENT COUNCIL.--

23 A. On the effective date of this act, the state
24 investment officer is no longer a member of the state
25 investment council.

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underscoring material = new
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1 B. On the effective date of this act, the three
2 public members serving on the state investment council the day
3 before the effective date of this act are no longer members of
4 the state investment council.

5 C. Within thirty days of the effective day of the
6 act, four members shall be appointed to the state investment
7 council by the New Mexico legislative council pursuant to
8 Paragraph (6) of Subsection A of Section 6-8-2 NMSA 1978 and
9 shall serve on an interim basis until confirmed by the senate.

10 D. Within thirty days of the effective date of this
11 act, two members shall be appointed to the state investment
12 council by the governor pursuant to Paragraph (7) of Subsection
13 A of Section 6-8-2 NMSA 1978 and shall serve on an interim
14 basis until confirmed by the senate.

15 E. The four members appointed pursuant to
16 Subsection C of this section and the two members appointed
17 pursuant to Subsection D of this section shall, by lot,
18 determine the initial terms of office for each position so that
19 one position will be for a term of one year, one position will
20 be for a term of two years, two positions will be for terms of
21 three years, one position will be for a term of four years and
22 one position will be for a term of five years. Thereafter, the
23 terms shall be for five years.

24 Section 4. EMERGENCY.--It is necessary for the public
25 peace, health and safety that this act take effect immediately.

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