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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**54th Legislature, 1st Session, 2019**

**Bill Number** HB97                      **Sponsor** Salazar

**Tracking Number** .211296.1SA      **Committee Referrals** HJC; SPAC

**Short Title** Local Government Investment Pool Participants

**Analyst** Simon    **Original Date** 1/18/2019  
**Last Updated** \_\_\_\_\_

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**BILL SUMMARY**

Synopsis of Bill

House Bill 97 (HB97) would allow the Educational Retirement Board (ERB), the Public Employees Retirement Association, and the State Investment Council to participate in the local government investment pool (LGIP), administered by the state treasurer.

This analysis is limited to the impact of HB97 on the Educational Retirement Board.

**FISCAL IMPACT**

HB97 does not contain an appropriation.

The general fund receives a 0.05 percent administrative fee from the earning of the LGIP. Analysis of a similar bill from the 2017 legislative session did not project additional participation in the LGIP to have a noticeable impact on the general fund.

**SUBSTANTIVE ISSUES**

As of 2017, ERB participated in the LGIP when the board is looking for a short-term investment, even though statute does not explicitly authorize ERB to participate in the LGIP. At the time, ERB indicated LGIP had better rates on short-term investment than commercial banks.

An identical bill from the 2017 legislative session, House Bill 251, passed the House 65-0 and passed the Senate 31-0, but was vetoed by the governor on the grounds that ERB already participates in LGIP through a memorandum of understanding.

**SOURCES OF INFORMATION**

- LESC Files

**JWS/mc**