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SENATE BILL 865

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

SHANNON ROBINSON

AN ACT

RELATING TO TECHNICAL AND VOCATIONAL INSTITUTE DISTRICTS;
PROVIDING TECHNICAL AND VOCATIONAL INSTITUTES AUTHORITY TO
CONTRACT WITH ONE OR MORE FISCAL AGENTS AND DESIGNATE ONE OR
MORE DEPOSITORIES FOR THE DEPOSIT OF FUNDS; AMENDING SECTION
6-10-36 NMSA 1978 (BEING LAWS 1977, CHAPTER 136, SECTION 1, AS
AMENDED).

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

Section 1. A new section of the Technical and Vocational
Institute Act is enacted to read:

"[NEW MATERIAL] FISCAL AGENT AND DEPOSITORY. --

A. The board may designate a bank or savings and
loan association doing business in New Mexico and having an
unimpaired capital and surplus of at least ten million dollars
(\$10,000,000) as the fiscal agent of the technical and

Underscored material = new
[bracketed material] = delete

1 vocational institute. The selection of the fiscal agent shall
2 be made pursuant to the procedures of the Procurement Code.

3 B. The bank or savings and loan association so
4 designated shall enter into an agreement with the technical and
5 vocational institute for any or all of the following services:

6 (1) the collection for the technical and
7 vocational institute of all checks and other items received by
8 the technical and vocational institute on any account;

9 (2) the handling of the checking account of the
10 technical and vocational institute;

11 (3) the handling of all transfers of money in
12 connection with the sale or retirement of bonds or obligations
13 of the technical and vocational institute or the purchase by the
14 technical and vocational institute of bonds or other securities;

15 (4) the investment of funds of the technical
16 and vocational institute;

17 (5) the safekeeping of bonds or other
18 securities belonging to or held by the technical and vocational
19 institute or any official thereof;

20 (6) implementation of a cash management system
21 to provide daily sweeps of balances into a revenue generating
22 account;

23 (7) processing of credit card transactions
24 involving the technical and vocational institute;

25 (8) administration of direct deposit payroll

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1 and other payment programs; and

2 (9) acting as the agent of the technical and
3 vocational institute in fiscal matters generally.

4 C. The agreement shall contain the terms and
5 conditions which are necessary, in the judgment of the board,
6 for the proper conduct of the fiscal affairs and the safekeeping
7 of the money of the technical and vocational institute."

8 Section 2. Section 6-10-36 NMSA 1978 (being Laws 1977,
9 Chapter 136, Section 1, as amended) is amended to read:

10 "6-10-36. PUBLIC MONEY DEPOSITS OF CERTAIN GOVERNMENTAL
11 UNITS--DISTRIBUTION--INTEREST.--

12 A. All public money except that in the custody of
13 the state treasurer, institutions of higher education, technical
14 and vocational institutes, incorporated municipalities and
15 counties which have adopted home rule charters as authorized by
16 the constitution and local school boards which have been
17 designated as boards of finance shall be deposited in qualified
18 depositories in accordance with the terms of this section or
19 invested as otherwise provided by law.

20 B. Deposits of funds of a governmental unit may be
21 made in noninterest-bearing checking accounts in one or more
22 banks or savings and loan associations designated as checking
23 depositories located within the geographical boundaries of the
24 governmental unit. In addition, deposits of funds may be in
25 noninterest-bearing accounts in one or more credit unions

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1 designated as checking depositories located within the
2 geographical boundaries of the governmental unit to the extent
3 the deposits are insured by an agency of the United States. If
4 there is no checking depository within the geographical
5 boundaries of the governmental unit, one or more banks, savings
6 and loan associations or credit unions within the county in
7 which the principal office of the governmental unit is located
8 may be so designated; provided any credit union deposits are
9 insured by an agency of the United States.

10 C. Public money placed in interest-bearing deposits
11 in banks and savings and loan associations shall be equitably
12 distributed among all banks and savings and loan associations
13 having their main or manned branch offices within the
14 geographical boundaries of the governmental unit which have
15 qualified as public depositories by reason of insurance of the
16 account by an agency of the United States or by depositing
17 collateral security or by giving bond as provided by law in the
18 proportion that each bank's or savings and loan association's
19 net worth bears to the total net worth of all banks and savings
20 and loan associations having their main office or manned branch
21 office within the geographical boundaries of the governmental
22 unit. The net worth of the main office of a savings and loan
23 association and its manned branch offices within the
24 geographical boundaries of a governmental unit is the total net
25 worth of the association multiplied by the percentage that

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1 deposits of the main office and the manned branch offices
2 located within the geographical boundaries of the governmental
3 unit are of the total deposits of the association. The net
4 worth of each manned branch office or aggregate of manned branch
5 offices of a savings and loan association located outside the
6 geographical boundaries of the governmental unit in which the
7 main office is located is the total net worth of the association
8 multiplied by the percentage that deposits of the branch or the
9 aggregate of branches located outside the geographical
10 boundaries of the governmental unit in which the main office is
11 located are of the total deposits of the association. The
12 director of the financial institutions division of the
13 regulation and licensing department shall promulgate a formula
14 for determining the net worth of banks' main offices and
15 branches for the purposes of distribution of public money as
16 provided for by this section. "Net worth" means the assets less
17 liabilities as reported by those banks and savings and loan
18 associations on their most recent semiannual reports to the
19 state or federal supervisory authority having jurisdiction.

20 D. Public money may be placed at the discretion of
21 the designated board of finance or treasurer in interest-bearing
22 deposits in credit unions having their main or manned branch
23 offices within the geographical boundaries of the governmental
24 unit to the extent such deposits are insured by an agency of the
25 United States.

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1 E. The rate of interest for all public money
2 deposited in interest-bearing accounts in banks, savings and
3 loan associations and credit unions shall be set by the state
4 board of finance, but in no case shall the rate of interest be
5 less than one hundred percent of the asked price on United
6 States treasury bills of the same maturity on the day of
7 deposit. Any bank or savings and loan association that fails to
8 pay the minimum rate of interest at the time of deposit provided
9 for herein for any respective deposit forfeits its right to an
10 equitable share of that deposit under this section.

11 If the deposit is part or all of the proceeds of a bond
12 issue and the interest rate prescribed in this subsection
13 materially exceeds the rate of interest of the bonds, the
14 interest rate prescribed by this subsection shall be reduced on
15 that deposit to an amount not materially exceeding the interest
16 rate of the bonds if the bond issue would lose its tax exempt
17 status [~~under Section 103 of the United State Internal Revenue~~
18 ~~Code of 1954, as amended~~] pursuant to the provisions of the
19 Internal Revenue Code of 1986, as amended.

20 F. Public money in excess of that for which banks,
21 savings and loan associations and credit unions within the
22 geographical boundaries of the governmental unit have qualified
23 may be deposited in qualified depositories in other areas within
24 the state under the same requirements for payment of interest as
25 if the money were deposited within the geographical boundaries

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1 of the governmental unit or may be invested as provided by law.

2 G. The department of finance and administration may
3 monitor the deposits of public money by governmental units to
4 assure full compliance with the provisions of this section. "

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1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997
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6 March 5, 1997
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8 Mr. President:
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10 Your EDUCATION COMMITTEE, to whom has been referred
11

12 SENATE BILL 865
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14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 FINANCE COMMITTEE.
17

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19 Respectfully submitted,
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23 _____
24 Cynthia Nava, Chairman
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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

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Date _____

The roll call vote was 7 For 1 Against
Yes: 7
No: Rawson
Excused: None
Absent: None

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1 FORTY-THIRD LEGISLATURE

SB 865/a

2 FIRST SESSION, 1997

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6 March 8, 1997

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8 Mr. President:

9
10 Your FINANCE COMMITTEE, to whom has been referred

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12 SENATE BILL 865

13
14 has had it under consideration and reports same with
15 recommendation that it DO PASS, amended as follows:

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- 18 1. On page 1, line 24, after "unimpaired" insert "tier
19 one".
 - 20
21 2. On page 1, line 24, strike "and surplus".
 - 22
23 3. On page 1, line 25, after "\$10,000,000" insert "
24 as defined by the federal deposit insurance corporation,".
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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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SFC/SB 875

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Respectfully submitted,

Ben D. Altamirano, Chairman

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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SFC/SB 875

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: None

Excused: Argon, Altamirano, Ingle, McKibben, Smith

Absent: None

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State of New Mexico
House of Representatives

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 14, 1997

Mr. Speaker:

Your EDUCATION COMMITTEE, to whom has been referred

SENATE BILL 865, as amended

**has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.**

Respectfully submitted,

Samuel F. Vigil, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HEC/SB 865, aa

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Mallory, McSherry, Nicely

Absent: None

M \S0865

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State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 17, 1997

Mr. Speaker:

Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred

SENATE BILL 865, as amended

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Max Coll, Chairman

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 13 For 0 Against

Yes: 13

Excused: Garcia, M. H., Picraux, Marquardt, Taylor, J. P.

Absent: None

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Underscored material = new
~~[bracketed material] = delete~~