

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 618

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Max Coll

AN ACT

RELATING TO THE SEVERANCE TAX PERMANENT FUND; PROVIDING BY LAW FOR ANNUAL DISTRIBUTIONS FROM THE SEVERANCE TAX PERMANENT FUND TO THE GENERAL FUND; CHANGING PROVISIONS FOR CERTAIN INVESTMENT OF THE SEVERANCE TAX PERMANENT FUND; DECLARING AN EMERGENCY.

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

Section 1. [NEW MATERIAL] SEVERANCE TAX PERMANENT FUND-- ANNUAL DISTRIBUTIONS. --The secretary of finance and administration shall make annual distributions from the severance tax permanent fund in the amount authorized by and calculated pursuant to the provisions of Article 8, Section 10 of the constitution of New Mexico. One-twelfth of the amount authorized to be distributed in a fiscal year shall be distributed each month to the general fund.

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 Section 2. Section 7-27-5.4 NMSA 1978 (being Laws 1983,
2 Chapter 306, Section 11, as amended) is amended to read:

3 "7-27-5.4. NEW MEXICO BUSINESS INVESTMENTS. --No more
4 than twenty percent of the book value of the severance tax
5 permanent fund may be invested in the following investments
6 and in the following amounts:

7 A. no more than ten percent of the book value of
8 the severance tax permanent fund may be invested in notes or
9 obligations securing loans to New Mexico businesses made by
10 farm credit entities, banks and savings and loan associations
11 and mortgages approved by the department of housing and urban
12 development pursuant to the act of congress of July 30, 1953
13 known as the Small Business Act of 1953, as amended, and notes
14 or obligations pursuant to the act of congress of August 14,
15 1946 known as the Farmers' Home Administration Act of 1946, as
16 amended, only to the extent that both principal and interest
17 are guaranteed by the United States government. The effective
18 yield of these loans shall be a market rate not less than the
19 yield available on the planned amortized class tranche of
20 collateralized mortgage obligations guaranteed by the federal
21 national mortgage association or the federal home loan
22 mortgage corporation with an average life comparable to the
23 maturity of the loan. The state investment officer may enter
24 into conventional agreements for the servicing of the loans
25 and the administration of the receipts therefrom. Any

. 126827. 1

underscored material = new
[bracketed material] = delete

1 servicing agreement may contain reasonable and customary
2 provisions, including servicing fees not to exceed one hundred
3 fifty basis points, as may be agreed upon; provided, in no
4 event shall the rate paid by the borrower on the loan,
5 together with servicing fees, exceed the maximum rate
6 permitted by the applicable federal guarantee program; and

7 B. no more than ten percent of the book value of
8 the fund may be invested in bonds, notes, debentures or other
9 evidence of indebtedness, excluding commercial paper rated not
10 less than Baa or BBB or the equivalent [~~or guaranteed by an~~
11 ~~irrevocable letter of credit to the state of New Mexico issued~~
12 ~~by a financial institution or corporation rated a or A or the~~
13 ~~equivalent~~] by a national rating service of any corporation
14 organized and operating within the United States, excluding
15 regulated public utility corporations, which as a condition of
16 receiving the proceeds of such evidence of indebtedness will
17 use such proceeds to establish or expand business outlets or
18 ventures in New Mexico, provided that:

19 (1) the investment in the bonds, notes or
20 debentures or other evidence of indebtedness of any one
21 corporation shall not exceed one hundred percent of the cost
22 of the expansion venture or new outlet or twenty million
23 dollars (\$20,000,000), whichever is less;

24 (2) the rate of interest to be paid on the
25 bonds, notes or debentures or other evidence of indebtedness

underscored material = new
[bracketed material] = delete

1 shall be established by the council, but shall not be less
2 than the equivalent [~~to the~~] yield available on United States
3 treasury issues of a comparable maturity plus [~~fifty to~~] one
4 hundred basis points;

5 (3) the indebtedness shall be approved prior
6 to purchase by the council; and

7 (4) the guidelines for initiation of the
8 purchase by the council of the bonds, notes, debentures or
9 other evidence of indebtedness and the terms thereof shall be
10 established by the council. "

11 Section 3. EMERGENCY.--It is necessary for the public
12 peace, health and safety that this act take effect
13 immediately.

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
3
4
5

6 February 19, 1999
7

8 Mr. Speaker:
9

10 Your TAXATION AND REVENUE COMMITTEE, to whom has
11 been referred
12

13 HOUSE BILL 618
14

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

18 Respectfully submitted,
19
20
21

22 _____
23 Jerry W. Sandel, Chairman
24
25

underscored material = new
[bracketed material] = delete

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

3hb 618

Page 6

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 13 For 0 Against

Yes: 13

Excused: Burpo, Russell

Absent: None

J: \99BillsWP\H0618

underscored material = new
[bracketed material] = delete

1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

3
4 February 25, 1999

5
6
7 Mr. Speaker:

8
9 Your APPROPRIATIONS AND FINANCE COMMITTEE, to
10 whom has been referred

11 HOUSE BILL 618

12
13 has had it under consideration and reports same with
14 recommendation that it DO PASS.

15
16 Respectfully submitted,

17
18
19
20 _____
21 Max Coll, Chair man
22
23
24
25

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

Page 8

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

Excused: Abeyta, Coll, Garcia, M.H., Heaton, Larrañaga, Picraux,
Salazar

Absent: None

J:\99BillsWP\H0618

underscored material = new
[bracketed material] = delete

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

Page 9

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

March 8, 1999

Mr. President:

Your WAYS & MEANS COMMITTEE, to whom has been referred

HOUSE BILL 618

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

Respectfully submitted,

Carlos R. Cisneros, Chairman

underscored material = new
[bracketed material] = delete

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Carraro, Jennings, Nava

Absent: None

H0618WM1

underscored material = new
[bracketed material] = delete

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

Page 11

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

March 10, 1999

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

HOUSE BILL 618

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

Respectfully submitted,

Ben D. Altamirano, Chairman

. 126827. 1

underscored material = new
[bracketed material] = delete

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Adopted _____ Not

Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 8 For 0 Against

Yes: 8

No: 0

Excused: Carraro, Griego, Ingle, McKibben, Rodriguez

Absent: None

H0618FC1

underscored material = new
[bracketed material] = delete