SENATE BILL 87

44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2000

INTRODUCED BY

Don Kidd

AN ACT

RELATING TO PUBLIC FINANCES; PROVIDING FOR LETTERS OF CREDIT ISSUED BY A FEDERAL HOME LOAN BANK AS SECURITY FOR DEPOSITS OF PUBLIC MONEY.

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

Section 1. Section 6-10-16 NMSA 1978 (being Laws 1969, Chapter 243, Section 1, as amended by Laws 1987, Chapter 79, Section 6 and also by Laws 1987, Chapter 307, Section 1) is amended to read:

"6-10-16. SECURITY FOR DEPOSITS OF PUBLIC MONEY.--

A. Deposits of public money shall be secured by:

(1) securities of the United States, its agencies or instrumentalities [or by];

(2) securities of the state of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions [or by];

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1   (3) securities, including student loans,

2 that are guaranteed by the United States or the state of New

3 Mexico;

4   (4) revenue bonds [qualify as security for

5 the deposit of public money only if they] that are

6 underwritten by a member of the national association of

7 securities dealers, known as "N.A.S.D.", and are rated "BAA"

8 or above by a nationally recognized bond rating service; or

9   (5) letters of credit issued by a federal

10 home loan bank.

11   B. No security is required for the deposit of

12 public money that is insured by the federal deposit insurance

13 corporation [the federal savings and loan insurance

14 corporation] or the national credit union administration.

15   [B.] C. Securities which are obligations of the

16 state of New Mexico, its agencies, institutions, counties,

17 municipalities or other subdivisions shall be accepted as

18 security at par value. All other securities shall be

19 accepted as security at market value. The restrictions of

20 Subsection A of this section apply to all securities subject

21 to this subsection."

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