February 15, 2000

Mr. Speaker:

     Your **TAXATION AND REVENUE COMMITTEE,** to whom has been referred

SENATE BILL 161

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

     1. On pages 1 and 2, strike Section 1 in its entirety and insert in lieu thereof the following section:

     "Section 1. Section 7-27-5 NMSA 1978 (being Laws 1983, Chapter 306, Section 7, as amended) is amended to read:

     "7-27-5. INVESTMENT OF SEVERANCE TAX PERMANENT FUND.-- The severance tax permanent fund shall be invested for two general purposes, to provide income to the fund and to stimulate the economy of New Mexico, preferably on a continuing basis. The investments in Sections 7-27-5.1 and 7-27-5.6 NMSA 1978 shall be those intended to provide maximum income to the fund and shall be referred to as the market rate investments. The investments permitted in Sections 7-27-5.3 through 7-27-5.5, 7-27-5.13 through 7-27-5.17, 7-27-5.22 and 7-27-5.24 [and 7-27-5.25] through 7-27-5.26 NMSA 1978 shall be those intended to stimulate the economy of New Mexico and shall be referred to as the differential rate investments. The prudent man rule shall be applied to the market rate investments, and the state investment officer shall keep separate records of the earnings of the market rate investments. All transactions entered into on or after July 1, 1991 shall be accounted for in accordance with generally accepted accounting principles."".

     2. On page 2, line 12, strike "7-27-5.25" and insert in lieu thereof "7-27-5.26".

     3. On page 2, line 13, strike "7-27-5.25" and insert in lieu thereof "7-27-5.26".,

and thence referred to the **APPROPRIATIONS AND FINANCE COMMITTEE.**

                              Respectfully submitted,

                              _____
                              Jerry W. Sandel, Chairman

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

                        Date _____

The roll call vote was 12 For 0 Against
Yes: 12
Excused: Herrera, Stell
Absent: Hawkins

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