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## FISCAL IMPACT REPORT

**SPONSOR** Stapleton **ORIGINAL DATE** 2/09/17  
**LAST UPDATED** 2/27/17 **HB** 251/aHSIVC

**SHORT TITLE** Participation in Local Government Investment Pool **SB** \_\_\_\_\_

**ANALYST** Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of HSIVC Amendment

The House State Government, Indian and Veterans’ Affairs Committee amendment to HB 251 adds a separate subsection to clarify that ERB, PERA and the SIC may invest with the LGIP.

#### Synopsis of Bill

HB 251 amends Section 6-10-1.1 NMSA 1978 to specifically add ERB, the Public Employees Retirement Association (PERA) and State Investment Council (SIC) to the definition of “eligible governing body”. The definition includes any governmental or quasi-governmental public body.

### FISCAL IMPLICATIONS

STO charges a monthly administrative fee of .05 percent of earnings for professional money management, which remains in the general fund. Clarifying investing agencies may participate allows fees to remain in the general fund that would otherwise be paid to external vendors.

### SIGNIFICANT ISSUES

The Local Government Investment Pool (LGIP) Section 6-10-10.1 allows public entities to voluntarily participate with the LGIP for their short-term (liquid) investment needs. To address concerns investing agencies may not fit within the definition of an “eligible governing body” because they are not separate legal entities, instead of amending the definition as proposed, STO proposes adding a separate subsection that states ERB, PERA and SIC may invest in the LGIP.

AHO/jle