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SENATE BILL

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC FINANCES; ALLOWING A MUNICIPALITY TO
ESTABLISH A MUNICIPAL POST-EMPLOYMENT LIFE INSURANCE BENEFITS
TRUST.

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

SECTION 1. [NEW MATERIAL] MUNICIPAL POST-EMPLOYMENT LIFE
INSURANCE BENEFITS TRUST.--

A. A municipal post-employment life insurance
benefits trust may be established, maintained and used by a
municipal treasurer with the advice and consent of the
municipal board of finance.

B. The municipality's contributions to the
municipal post-employment life insurance benefits trust shall
be irrevocable, and the money in the trust shall be dedicated
exclusively to funding post-retirement life insurance benefits

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underscoring material = new
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1 pursuant to the provisions of the trust established by the
2 municipal treasurer.

3 C. Money in a municipal post-employment life
4 insurance benefits trust shall be invested pursuant to the
5 Uniform Prudent Investor Act and the provisions of this
6 section. Earnings and income from investment of money in the
7 trust shall be credited to the trust.

8 D. The municipal treasurer shall serve as the
9 trustee and may use the services of a trust company to manage
10 the investment of money in the municipal post-employment life
11 insurance benefits trust.

12 E. As used in this section:

13 (1) "municipal post-employment life insurance
14 benefits trust" means an investment fund established,
15 maintained and used by a municipality exclusively for the
16 purposes permitted under Section 115 of the Internal Revenue
17 Code of 1986; and

18 (2) "trust company" means an individual or a
19 company, corporation, firm, partnership, state-chartered bank,
20 national bank or other legal entity that provides investment
21 services pursuant to the Trust Company Act and that agrees to
22 adhere to the provisions of the Uniform Prudent Investor Act.