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FISCAL IMPACT REPORT

SPONSOR:	Taylor	DATE TYPED:	02/17/00	HB	HJR 17/aH AFC
SHORT TITLE:	Investment of Public Money			SB	
				ANALYST:	Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

Companion to House Bill 109 - County/Municipal Investment Expansion

SOURCES OF INFORMATION

Legislative Finance Committee (LFC)

SUMMARY

Synopsis of HAFC Amendment

The HAFC amendment strikes reference to "loan associations" in inserts in lieu thereof "banks".

Synopsis of Bill

This Joint Resolution would amend the New Mexico Constitution Article 8, Section 4 (TAXATION AND REVENUE, Misuse and Deposit of Public Money). The proposed amendment would make way for House Bill 109 which expands the instruments that county and municipal treasurers may use to invest public money.

The current constitutional requirement regarding investment of public money says that the public money not invested in "interest bearing securities" shall be deposited in national banks, incorporated state banks, trust companies, federal or state savings and loan associations, credit unions (all federally insured).

The proposed constitutional amendment would allow investment decisions and guidelines to be made at the statutory level rather than by Constitution.

The constitutional amendment shall be submitted to the people for their approval or rejection at the next general election or at any special election prior to that date which may be called for that purpose.

Significant Issues

This Joint Resolution is necessary for House Bill 109 (attached) to become valid.

FISCAL IMPLICATIONS

While this Joint Resolution has no direct fiscal impact, it is necessary if public money is to be available for investing in higher yield securities that the current Constitution prohibits.

JBE/gm

Attachment - HB109