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HOUSE BILL 542

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY
W. Ken Martinez

AN ACT

RELATING TO PUBLIC MONEY; CREATING AN IN-HOUSE FINANCIAL
ADVISOR IN THE OFFICE OF THE STATE TREASURER; PROVIDING POWERS
AND DUTIES; MAKING AN APPROPRIATION.

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

Section 1. A new section of Chapter 8, Article 6 is
enacted to read:

"[NEW MATERIAL] STATE TREASURER INVESTMENTS--FINANCIAL
ADVISOR--QUALIFICATIONS--POWERS AND DUTIES.--

A. The state treasurer shall appoint a financial
advisor who shall manage and oversee investments made by the
office of the state treasurer.

B. The financial advisor shall have at least five
years of professional experience as a financial advisor to
persons other than families or individuals.

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1 C. Subject to the limitations, conditions or rules
2 of the office of the state treasurer and subject to prior
3 authorization by the state treasurer, the financial advisor
4 may, pursuant to laws regulating investments of the office of
5 the state treasurer, invest the assets of funds administered
6 under the supervision of the state treasurer. The financial
7 advisor shall see that money invested is at all times handled
8 in the best interests of the state.

9 D. Pursuant to laws regulating investments of the
10 office of the state treasurer, the financial advisor shall
11 formulate and recommend to the state treasurer for approval
12 investment rules pertaining to the kind or nature of
13 investments made and limitations, conditions and restrictions
14 upon the methods and practices or procedures used for
15 investment that should govern the activities of the office of
16 the state treasurer.

17 E. The financial advisor may hire an investment
18 management firm to advise the office of the state treasurer
19 with respect to the overall investment plan for the investment
20 of funds managed by the office of the state treasurer and pay
21 reasonable compensation for such advisory services, subject to
22 appropriation by the legislature. The terms of any such
23 investment management services contract shall incorporate the
24 statutory requirements for investment of funds under the state
25 treasurer's jurisdiction.

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1 F. The financial advisor shall provide quarterly
2 performance reports to the legislative finance committee.
3 Annually, the financial advisor shall provide written
4 investment rules that have been approved by the state
5 treasurer, including any amendments, to the legislative finance
6 committee."

7 Section 2. APPROPRIATION.--Two hundred fifty thousand
8 dollars (\$250,000) is appropriated from the general fund to the
9 office of the state treasurer for expenditure in fiscal year
10 2007 to implement the provisions of Section 1 of this act. Any
11 unexpended or unencumbered balance remaining at the end of
12 fiscal year 2007 shall revert to the general fund.