

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HOUSE BILL 532

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Luciano "Lucky" Varela

FOR THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE AND THE  
REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO PUBLIC FUNDS; CLARIFYING THE PROVISION REGARDING  
INVESTMENTS OF PUBLIC FUNDS OF LOCAL GOVERNING BODIES AND OTHER  
ELIGIBLE GOVERNING BODIES; EXPANDING PARTICIPATION OF  
PARTICIPATING GOVERNMENTS IN CERTAIN INVESTMENT FUNDS; AMENDING  
SECTIONS OF THE NMSA 1978; MAKING APPROPRIATIONS; DECLARING AN  
EMERGENCY.

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

Section 1. Section 6-10-1.1 NMSA 1978 (being Laws 1987,  
Chapter 79, Section 3, as amended) is amended to read:

"6-10-1.1. DEFINITIONS.--As used in Chapter 6, Article 10  
NMSA 1978:

A. "deposit" includes share, share certificate and  
share draft;

B. "department" means the department of finance and

underscored material = new  
[bracketed material] = delete

1 administration; [~~and~~]

2 C. "eligible governing body" means a local  
3 governing body, the governing authority of a tribe or any other  
4 governmental or quasi-governmental body created or authorized  
5 to be created pursuant to New Mexico statutes;

6 D. "finance officer" means the chief financial  
7 officer of an eligible governing body or a participating  
8 government;

9 E. "local governing body" means a political  
10 subdivision of the state, including a school district or a  
11 post-secondary educational institution;

12 F. "participating government" means an eligible  
13 governing body or the state treasurer on behalf of the general  
14 fund that has invested money in the participating government  
15 investment fund;

16 [~~G.~~] G. "secretary" means the secretary of finance  
17 and administration; and

18 H. "tribe" means a federally recognized Indian  
19 nation, tribe or pueblo or a subdivision or agency of a  
20 federally recognized Indian nation, tribe or pueblo, located  
21 wholly or partially in New Mexico."

22 Section 2. Section 6-10-10 NMSA 1978 (being Laws 1933,  
23 Chapter 175, Section 4, as amended) is amended to read:

24 "6-10-10. DEPOSIT AND INVESTMENT OF FUNDS.--

25 A. Upon the certification or designation of a bank,

.164421.3

underscoring material = new  
[bracketed material] = delete

1 savings and loan association or credit union whose deposits are  
2 insured by an agency of the United States to receive public  
3 money on deposit, the state treasurer and county or municipal  
4 treasurers who have on hand any public money by virtue of their  
5 offices shall make deposit of that money in banks and savings  
6 and loan associations and may make deposit of that money in  
7 credit unions whose deposits are insured by an agency of the  
8 United States, designated by the authority authorized by law to  
9 so designate to receive the deposits of all money thereafter  
10 received or collected by the treasurers.

11 B. County or municipal treasurers may deposit money  
12 in one or more accounts with any such bank, savings and loan  
13 association or credit union located in their respective  
14 counties, subject to limitation on credit union accounts.

15 C. The state treasurer may deposit money in one or  
16 more accounts with any such bank, savings and loan association  
17 or credit union, subject to the limitation on credit union  
18 accounts.

19 D. Duplicate receipts or deposit slips shall be  
20 taken for each deposit made pursuant to Subsection A, B or C of  
21 this section. When deposits are made by the state treasurer,  
22 one copy of the receipt or deposit slip shall be retained by  
23 the state treasurer and the other copy shall be filed monthly  
24 on the first day of each month with the financial control  
25 division of the department of finance and administration. When

.164421.3

underscored material = new  
[bracketed material] = delete

1 deposits are made by the treasurer or any other authorized  
2 person making the deposits for a board of finance of a public  
3 or educational institution, one copy of the receipt or deposit  
4 slip shall be retained by the treasurer or authorized person  
5 making the deposit and the other copy shall be filed monthly on  
6 the first day of each month with that board of finance. When  
7 deposits are made by a county or municipal treasurer, one of  
8 the duplicate receipts or deposit slips shall be retained by  
9 the treasurer making the deposit and the other copy shall be  
10 filed monthly on the first day of each month with the secretary  
11 of the board of finance of the county or municipality for which  
12 that treasurer is acting.

13 E. "Deposit", as used in this section, means either  
14 investment or deposit and includes share, share certificate and  
15 share draft.

16 F. County or municipal treasurers, with the advice  
17 and consent of their respective boards of finance charged with  
18 the supervision and control of the respective funds, may invest  
19 all sinking funds or money remaining unexpended from the  
20 proceeds of any issue of bonds or other negotiable securities  
21 of any county, municipality or school district that is  
22 entrusted to their care and custody and all money not  
23 immediately necessary for the public uses of the counties,  
24 municipalities or school districts not invested or deposited in  
25 banks, savings and loan associations or credit unions in:

.164421.3

underscoring material = new  
[bracketed material] = delete

1 (1) bonds or negotiable securities of the  
2 United States, the state or a county, municipality or school  
3 district that has a taxable valuation of real property for the  
4 last preceding year of at least one million dollars  
5 (\$1,000,000) and that has not defaulted in the payment of any  
6 interest or sinking fund obligation or failed to meet any bonds  
7 at maturity at any time within five years last preceding; or

8 (2) securities that are issued by the United  
9 States government or by its agencies or instrumentalities and  
10 that are either direct obligations of the United States, the  
11 federal home loan mortgage association, the federal national  
12 mortgage association, the federal farm credit bank, federal  
13 home loan banks or the student loan marketing association or  
14 that are backed by the full faith and credit of the United  
15 States government.

16 G. The treasurer of a class A county or the  
17 treasurer of a municipality having a population of more than  
18 sixty-five thousand according to the most recent federal  
19 decennial census and located within a class A county, with the  
20 advice and consent of the boards of finance charged with the  
21 supervision and control of the funds, may invest all sinking  
22 funds or money remaining unexpended from the proceeds of any  
23 issue of bonds or other negotiable securities of the county or  
24 municipality that is entrusted to the treasurer's care and  
25 custody and all money not immediately necessary for the public

.164421.3

underscored material = new  
[bracketed material] = delete

1 uses of the county or municipality not invested or deposited in  
2 banks, savings and loan associations or credit unions in:

3 (1) shares of a diversified investment company  
4 registered pursuant to the federal Investment Company Act of  
5 1940 that invests in fixed-income securities or debt  
6 instruments that are listed in a nationally recognized, broad-  
7 market, fixed-income-securities market index; provided that the  
8 investment company or manager has total assets under management  
9 of at least one hundred million dollars (\$100,000,000) and  
10 provided that the board of finance of the county or  
11 municipality may allow reasonable administrative and investment  
12 expenses to be paid directly from the income or assets of these  
13 investments;

14 (2) individual, common or collective trust  
15 funds of banks or trust companies that invest in fixed-income  
16 securities or debt instruments that are listed in a nationally  
17 recognized, broad-market, fixed-income-securities market index;  
18 provided that the investment company or manager has total  
19 assets under management of at least one hundred million dollars  
20 (\$100,000,000) and provided that the board of finance of the  
21 county or municipality may allow reasonable administrative and  
22 investment expenses to be paid directly from the income or  
23 assets of these investments; or

24 (3) shares of pooled investment funds managed  
25 by the state investment officer, as provided in Subsection [6]

.164421.3

underscored material = new  
[bracketed material] = delete

1 E of Section 6-8-7 NMSA 1978; provided that the board of  
2 finance of the county or municipality may allow reasonable  
3 administrative and investment expenses to be paid directly from  
4 the income or assets of these investments.

5 H. A local public body, with the advice and consent  
6 of the body charged with the supervision and control of the  
7 local public body's respective funds, may invest all sinking  
8 funds or money remaining unexpended from the proceeds of any  
9 issue of bonds or other negotiable securities of the investor  
10 that is entrusted to the local public body's care and custody  
11 and all money not immediately necessary for the public uses of  
12 the investor and not otherwise invested or deposited in banks,  
13 savings and loan associations or credit unions in contracts  
14 with banks, savings and loan associations or credit unions for  
15 the present purchase and resale at a specified time in the  
16 future of specific securities at specified prices at a price  
17 differential representing the interest income to be earned by  
18 the investor. The contract shall be fully secured by  
19 obligations of the United States or other securities backed by  
20 the United States having a market value of at least one hundred  
21 two percent of the contract. The collateral required for  
22 investment in the contracts provided for in this subsection  
23 shall be shown on the books of the financial institution as  
24 being the property of the investor and the designation shall be  
25 contemporaneous with the investment. As used in this

.164421.3

underscoring material = new  
[bracketed material] = delete

1 subsection, "local public body" includes all political  
2 subdivisions of the state and agencies, instrumentalities and  
3 institutions thereof; provided that home rule municipalities  
4 that prior to July 1, 1994 had enacted ordinances authorizing  
5 the investment of repurchase agreements may continue investment  
6 in repurchase agreements pursuant to those ordinances.

7 I. The state treasurer, with the advice and consent  
8 of the state board of finance, may invest money held in demand  
9 deposits and not immediately needed for the operation of state  
10 government and money held in the [~~short-term~~] participating  
11 government investment fund, except as provided in Section  
12 6-10-10.1 NMSA 1978. The investments may be made in securities  
13 that are issued by the United States government or by its  
14 departments or agencies and are either direct obligations of  
15 the United States or are backed by the full faith and credit of  
16 the United States government or agencies sponsored by the  
17 United States government.

18 J. The state treasurer, with the advice and consent  
19 of the state board of finance, may also invest in contracts for  
20 the present purchase and resale at a specified time in the  
21 future, not to exceed one year or, in the case of bond  
22 proceeds, not to exceed three years, of specific securities at  
23 specified prices at a price differential representing the  
24 interest income to be earned by the state. Such contract shall  
25 not be invested in unless the contract is fully secured by

.164421.3



underscoring material = new  
[bracketed material] = delete

1 obligations of the United States or its agencies or  
2 instrumentalities or by other securities backed by the United  
3 States or its agencies or instrumentalities having a market  
4 value of at least one hundred two percent of the amount of the  
5 contract. The securities required as collateral under this  
6 subsection shall be delivered to a third-party custodian bank  
7 pursuant to a contract with the state and the counterparty or  
8 to the fiscal agent of New Mexico or its designee. Delivery  
9 shall be made simultaneously with the transfer of funds or as  
10 soon as practicable, but no later than the same day that the  
11 funds are transferred.

12 K. The state treasurer, with the advice and consent  
13 of the state board of finance, may also invest in contracts for  
14 the temporary exchange of state-owned securities for the use of  
15 broker-dealers, banks or other recognized institutional  
16 investors in securities, for periods not to exceed one year for  
17 a specified fee rate. Such contract shall not be invested in  
18 unless the contract is fully secured by exchange of an  
19 irrevocable letter of credit running to the state, cash or  
20 equivalent collateral of at least one hundred two percent of  
21 the market value of the securities plus accrued interest  
22 temporarily exchanged. The collateral required by this  
23 subsection shall be delivered to the fiscal agent of New Mexico  
24 or its designee simultaneously with the transfer of funds or as  
25 soon as practicable, but no later than the same day that the

.164421.3

underscoring material = new  
[bracketed material] = delete

1 state-owned securities are transferred.

2 L. Neither of the contracts in Subsection J or K of  
3 this section shall be invested in unless the contracting bank,  
4 brokerage firm or recognized institutional investor has a net  
5 worth in excess of five hundred million dollars (\$500,000,000).

6 M. The state treasurer, with the advice and consent  
7 of the state board of finance, may also invest in any of the  
8 following investments in an amount not to exceed forty percent  
9 of any fund that the state treasurer invests:

10 (1) commercial paper rated "prime" quality by  
11 a national rating service, issued by corporations organized and  
12 operating within the United States;

13 (2) medium-term notes and corporate notes with  
14 a maturity not exceeding five years that are rated A or its  
15 equivalent or better by a nationally recognized rating service  
16 and that are issued by a corporation organized and operating in  
17 the United States; or

18 (3) an asset-backed obligation with a maturity  
19 not exceeding five years that is rated AAA or its equivalent by  
20 a nationally recognized rating service.

21 N. The state treasurer, with the advice and consent  
22 of the state board of finance, may also invest in:

23 (1) shares of an open-ended diversified  
24 investment company that:

25 (a) is registered with the United States

.164421.3

underscored material = new  
[bracketed material] = delete

1 securities and exchange commission;

2 (b) complies with the diversification,  
3 quality and maturity requirements of Rule 2a-7, or any  
4 successor rule, of the United States securities and exchange  
5 commission applicable to money market mutual funds; and

6 (c) assesses no fees pursuant to Rule  
7 12b-1, or any successor rule, of the United States securities  
8 and exchange commission, no sales load on the purchase of  
9 shares and no contingent deferred sales charge or other similar  
10 charges, however designated, provided that the state shall not,  
11 at any time, own more than five percent of a money market  
12 mutual fund's assets; [~~or~~]

13 (2) individual, common or collective trust  
14 funds of banks or trust companies that invest in United States  
15 fixed-income securities or debt instruments authorized pursuant  
16 to Subsections I, J and M of this section, provided that the  
17 investment manager has assets under management of at least one  
18 billion dollars (\$1,000,000,000) and the investments made by  
19 the state treasurer pursuant to this paragraph are less than  
20 five percent of the assets of the individual, common or  
21 collective trust fund; or

22 (3) the participating government investment  
23 fund managed by the office of the state treasurer. Investments  
24 made pursuant to this paragraph shall be less than five percent  
25 of the total assets of the participating government investment

.164421.3

underscored material = new  
[bracketed material] = delete

1 fund.

2           0. Public funds to be invested in negotiable  
3 securities or loans to financial institutions fully secured by  
4 negotiable securities at current market value shall not be paid  
5 out unless there is a contemporaneous transfer of the  
6 securities at the earliest time industry practice permits, but  
7 in all cases, settlement shall be on a same-day basis either by  
8 physical delivery or, in the case of uncertificated securities,  
9 by appropriate book entry on the books of the issuer, to the  
10 purchaser or to a reputable safekeeping financial institution  
11 acting as agent or trustee for the purchaser, which agent or  
12 trustee shall furnish timely confirmation to the purchaser."

13           Section 3. Section 6-10-10.1 NMSA 1978 (being Laws 1988,  
14 Chapter 61, Section 2, as amended) is amended to read:

15           "6-10-10.1. [~~SHORT-TERM~~] PARTICIPATING GOVERNMENT  
16 INVESTMENT FUND CREATED--DISTRIBUTION OF EARNINGS--REPORT OF  
17 INVESTMENTS.--

18           A. There is created in the state treasury the  
19 [~~short-term~~] "participating government investment fund". The  
20 fund shall consist of all deposits from [~~governmental entities~~  
21 ~~and Indian tribes or pueblos~~] participating governments,  
22 including revenues dedicated to repaying bonds that are placed  
23 in the custody of the state treasurer for [~~short-term~~]  
24 investment purposes pursuant to this section. The state  
25 treasurer shall maintain [~~a~~] one or more separate [~~account~~]

.164421.3

underscored material = new  
[bracketed material] = delete

1 accounts for each [~~governmental entity and Indian tribe or~~  
2 ~~pueblo~~] participating government having deposits in the  
3 participating government investment fund and may divide the  
4 fund into two or more subfunds, as the state treasurer deems  
5 appropriate, for short-term and medium-term investment  
6 purposes, including one or more subfunds for bond proceeds  
7 deposited by participating governments.

8 B. If [~~a local public body~~] an eligible governing  
9 body is unable to receive payment on public money at the rate  
10 of interest as set forth in Section 6-10-36 NMSA 1978 from  
11 financial institutions within the geographic boundaries of the  
12 [~~governmental unit, then a local public~~] eligible governing  
13 body, or if the eligible governing body is not bound by the  
14 terms of Section 6-10-36 NMSA 1978, the finance [official]  
15 officer having control of the money of that [~~local public~~]  
16 eligible governing body [~~in that official's custody~~] not  
17 required for current expenditure may, with the consent of the  
18 [~~appropriate local~~] board of finance [~~if any~~] of the eligible  
19 governing body if consent is required by the laws or rules of  
20 the eligible governing body, remit some or all of [such] the  
21 money to the state treasurer for deposit for the purpose of  
22 [~~short-term~~] investment as allowed by this section.

23 C. Before [~~local~~] funds are invested or reinvested  
24 [~~for the purpose of short-term investment~~] pursuant to this  
25 section, [~~the local public body~~] a finance [official] officer

.164421.3

underscored material = new  
[bracketed material] = delete

1 shall notify and make [~~such~~] the funds available for investment  
2 to banks, savings and loan associations and credit unions  
3 located within the geographical boundaries of [~~their respective~~  
4 ~~governmental unit~~] the participating government or the eligible  
5 governing body, subject to the limitation on credit union  
6 accounts. To be eligible for [~~such~~] deposit of the government  
7 funds, the financial institution shall pay to the [~~local public~~  
8 ~~body~~] participating government or eligible governing body the  
9 rate established by the state treasurer pursuant to a policy  
10 adopted by the state board of finance for [~~such short-term~~] the  
11 investments.

12 D. [~~The local public body~~] A finance [~~official~~]  
13 officer shall specify the length of time a deposit shall be in  
14 the [~~short-term~~] participating government investment fund [~~but~~  
15 ~~in any event the deposit shall not be made for more than one~~  
16 ~~hundred eighty-one days~~]. The state treasurer through the use  
17 of the state fiscal agent shall separately track each [~~such~~]  
18 deposit and shall make [~~such~~] information regarding the deposit  
19 available to the public upon written request.

20 E. The state treasurer shall invest the [~~short-~~  
21 ~~term~~] participating government investment fund as provided [~~for~~  
22 ~~state funds under~~] in Section 6-10-10 NMSA 1978 regarding the  
23 investment of state funds in investments with a maturity at the  
24 time of purchase that does not exceed three [~~hundred ninety-~~  
25 ~~seven days~~] years. The state treasurer may elect to have the

.164421.3

underscored material = new  
[bracketed material] = delete

1 ~~[short-term]~~ participating government investment fund  
2 consolidated for investment purposes with the state funds under  
3 the control of the state treasurer; provided that accurate and  
4 detailed accounting records are maintained for the account of  
5 each participating ~~[entity and Indian tribe or pueblo]~~  
6 government and that a proportionate amount of interest earned  
7 is credited to each of the separate ~~[government]~~ accounts of a  
8 participating government. The fund shall be invested to  
9 achieve its objective, which is to realize the maximum return  
10 consistent with safe and prudent management.

11 F. At the end of each month, all net investment  
12 income or losses from investment of the ~~[short-term]~~  
13 participating government investment fund shall be distributed  
14 by the state treasurer to the ~~[contributing entities and Indian~~  
15 ~~tribes or pueblos]~~ accounts of participating governments in  
16 amounts directly proportionate to the respective amounts  
17 deposited by them in the participating government investment  
18 fund and the length of time the amounts in ~~[the fund]~~ each  
19 account were invested.

20 G. The state treasurer shall charge participating  
21 ~~[entities, Indian tribes and pueblos]~~ governments reasonable  
22 audit, administrative and investment expenses ~~[to be paid]~~ and  
23 shall deduct those expenses directly from ~~[their]~~ the net  
24 investment income for the investment and administrative  
25 services provided pursuant to this ~~[section]~~ subsection. The

.164421.3

underscoring material = new  
[bracketed material] = delete

1 amount of the charges, the manner of the use by the state  
2 treasurer and the nature of bond-related services to be offered  
3 shall be established in rules adopted and promulgated by the  
4 state treasurer subject to approval by the state board of  
5 finance.

6 H. Subject to appropriation by the legislature,  
7 amounts deducted from the accounts of participating governments  
8 for charges permitted pursuant to this section shall be  
9 expended by the state treasurer in fiscal year 2007 and in  
10 subsequent fiscal years for the administration and management  
11 of the participating government investment fund, services  
12 provided to participating governments related to investment of  
13 their money in that fund and other services authorized by this  
14 section. Balances remaining at the end of a fiscal year from  
15 the amounts deducted pursuant to this section shall revert to  
16 the general fund. Balances in the state treasurer's operating  
17 account resulting from deductions taken pursuant to this  
18 section in excess of the amount required to provide  
19 administration, management and related services required by  
20 this subsection or other services authorized by this section  
21 shall be offset by reductions in the charges made by the state  
22 treasurer to the accounts of participating governments in  
23 subsequent deductions from participating governments' accounts.

24 [~~G.~~] I. Investments of the [~~short-term~~  
25 participating government investment fund shall be made in such

.164421.3



underscored material = new  
[bracketed material] = delete

1 a manner that the portion of the fund invested in short-term  
2 investments maintains a "AA" or higher rating. Each fiscal  
3 year and at such other times as directed by the state board of  
4 finance, the state treasurer shall cause to have the short-term  
5 investment portion of the participating government investment  
6 fund rated by a nationally recognized statistical rating  
7 organization. If the rating received by the short-term  
8 investment portion of the fund is lower than "AA", the state  
9 treasurer shall immediately submit a plan to the state board of  
10 finance detailing the steps that will be taken to obtain a "AA"  
11 or higher rating.

12 ~~[H. As used in this section, "local public body"~~  
13 ~~means a political subdivision of the state, including school~~  
14 ~~districts and post-secondary educational institutions.~~

15 ~~I. In addition to the deposit of funds of local~~  
16 ~~public bodies, the state treasurer may also accept for deposit,~~  
17 ~~deposit and account for, in the same manner as funds of local~~  
18 ~~public bodies, funds of the following governmental entities if~~  
19 ~~the governing authority of the entity approves by resolution~~  
20 ~~the deposit of the funds for the short-term investment:~~

21 ~~(1) the agricultural commodity commission~~  
22 ~~established under the Agricultural Commodity Commission Act;~~

23 ~~(2) the Albuquerque metropolitan arroyo flood~~  
24 ~~control authority established under the Arroyo Flood Control~~  
25 ~~Act;~~

.164421.3

underscored material = new  
[bracketed material] = delete

1                   ~~(3) the business improvement district~~  
2 ~~management committee established under the Business Improvement~~  
3 ~~District Act;~~

4                   ~~(4) the New Mexico community development~~  
5 ~~council established under the New Mexico Community Assistance~~  
6 ~~Act;~~

7                   ~~(5) the governing authority of only special~~  
8 ~~districts authorized under Chapter 73 NMSA 1978;~~

9                   ~~(6) the board of trustees established under~~  
10 ~~the Economic Advancement District Act;~~

11                   ~~(7) the board of directors of a corporation or~~  
12 ~~foundation established under the Educational Assistance Act;~~

13                   ~~(8) a board of directors established under the~~  
14 ~~Flood Control District Act;~~

15                   ~~(9) the New Mexico hospital equipment loan~~  
16 ~~council established under the Hospital Equipment Loan Act;~~

17                   ~~(10) the authority established under the~~  
18 ~~Industrial and Agricultural Finance Authority Act;~~

19                   ~~(11) the authority established under the Las~~  
20 ~~Cruces Arroyo Flood Control Act;~~

21                   ~~(12) the authority established under the~~  
22 ~~Mortgage Finance Authority Act;~~

23                   ~~(13) the authority established under the~~  
24 ~~Municipal Mortgage Finance Act;~~

25                   ~~(14) the authority established under the~~

.164421.3

underscored material = new  
[bracketed material] = delete

1 ~~Public School Insurance Authority Act;~~

2 ~~(15) the authority established under the~~  
3 ~~Southern Sandoval County Arroyo Flood Control Act;~~

4 ~~(16) a board of trustees established under the~~  
5 ~~Special Hospital District Act;~~

6 ~~(17) the authority established under the~~  
7 ~~New Mexico Finance Authority Act; and~~

8 ~~(18) the corporation established under the~~  
9 ~~Small Business Investment Act.~~

10 ~~J. In addition to the deposit of funds of local~~  
11 ~~public bodies, the state treasurer may also accept for deposit~~  
12 ~~and deposit and account for, in the same manner as funds of~~  
13 ~~local public bodies, funds of any Indian tribe or pueblo in the~~  
14 ~~state if authorized to do so under a joint powers agreement~~  
15 ~~executed by the state treasurer and the governing authority of~~  
16 ~~the Indian tribe or pueblo under the provisions of the Joint~~  
17 ~~Powers Agreements Act.]~~

18 J. The state treasurer may offer to provide to  
19 participating governments services related to requirements of  
20 the federal income tax laws applicable to the investment of  
21 bond proceeds.

22 K. A tribe or quasi-governmental body created  
23 pursuant to New Mexico statute may become a participating  
24 government only if the governing authority of the tribe or  
25 quasi-governmental body has adopted a resolution authorizing

.164421.3

1 the tribe or quasi-governmental body to remit money to the  
2 state treasurer for investment in the participating government  
3 investment fund.

4 L. Deposits by the state treasurer on behalf of the  
5 general fund shall not exceed five percent of the total amount  
6 in the participating government investment fund at any time."

7 Section 4. EMERGENCY.--It is necessary for the public  
8 peace, health and safety that this act take effect immediately.

9 - 20 -

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
underscored material = new  
[bracketed material] = delete

.164421.3