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SENATE BILL 319

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

INTRODUCED BY

John Arthur Smith

FOR THE INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

AN ACT

CREATING A JOINT INTERIM LEGISLATIVE COMMITTEE TO OVERSEE STATE
INVESTMENTS AND RETIREMENT SYSTEMS; MAKING AN APPROPRIATION;
DECLARING AN EMERGENCY.

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

Section 1. STATE INVESTMENT AND RETIREMENT SYSTEMS
OVERSIGHT COMMITTEE CREATED.--The "state investment and
retirement systems oversight committee" is created as a joint
interim legislative committee.

Section 2. MEMBERSHIP--APPOINTMENT--VACANCIES.--

A. The state investment and retirement systems
oversight committee shall be composed of ten voting members and
five nonvoting members.

B. Five members of the house of representatives
shall be appointed as voting members of the committee by the

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1 speaker of the house of representatives, and five members of
2 the senate shall be appointed as voting members of the
3 committee by the committees' committee of the senate or, if the
4 senate appointments are made in the interim, by the president
5 pro tempore of the senate after consultation with and agreement
6 of a majority of the members of the committees' committee.
7 Members shall be appointed from each house so as to give the
8 two major political parties in each house the same
9 proportionate representation on the committee as prevails in
10 each house. An appointed member may designate a legislator
11 from the member's party to serve in the member's place at a
12 committee meeting at which the member is going to be absent.
13 The member shall select the designee from a list of four
14 potential designees from each house, appointed in the same
15 manner as the appointment of the members.

16 C. The five nonvoting members of the committee
17 shall be: the state investment officer or the officer's
18 designee; the secretary of finance and administration or the
19 secretary's designee; the state treasurer or the treasurer's
20 designee; the investment director of the public employees
21 retirement association or the director's designee; and the
22 chief investment officer of the educational retirement board or
23 the officer's designee.

24 D. Vacancies on the committee shall be filled by
25 appointment in the same manner as the original appointments.

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1 The speaker of the house of representatives and the president
2 pro tempore of the senate shall each designate one co-chair of
3 the committee.

4 E. No action shall be taken by the committee if a
5 majority of the total membership from either house on the
6 committee rejects such action.

7 Section 3. POWERS AND DUTIES.--After its appointment, the
8 state investment and retirement systems oversight committee
9 shall hold one organizational meeting to develop a work plan
10 and budget for the ensuing interim. The work plan and budget
11 shall be submitted to the New Mexico legislative council for
12 approval. Upon approval of the work plan and budget by the
13 legislative council, the committee shall:

14 A. monitor and oversee the investment and financial
15 management practices used by the state investment council, the
16 state board of finance and the state treasurer with respect to
17 all public funds, including the permanent funds, and by the
18 public employees retirement association and the educational
19 retirement board with respect to their retirement funds;

20 B. undertake a continuing analysis of the financial
21 and actuarial status of the retirement systems, including the
22 benefit structure, of the public employees retirement
23 association and the educational retirement board;

24 C. develop recommendations as appropriate to
25 improve state investment practices and to ensure the financial

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1 and actuarial soundness of the retirement funds;

2 D. make referrals of matters needing further
3 attention to the appropriate public official, agency, oversight
4 board or the attorney general for investigation, corrective
5 action and penalties if warranted;

6 E. request that all proposed legislation affecting
7 state investment practices, the permanent funds or the
8 retirement funds be presented to the committee for review and
9 analysis in the interim prior to the legislative session in
10 which the legislation will be introduced; and

11 F. report to the legislature prior to the start of
12 each regular legislative session any recommendations that the
13 committee may have for legislative action.

14 Section 4. ASSISTANCE TO COMMITTEE.--The public employees
15 retirement association, the educational retirement board, the
16 state investment council, the department of finance and
17 administration and the state treasurer shall assist the
18 committee in the performance of its duties and shall make
19 available records and information requested.

20 Section 5. STAFF.--The staff for the state investment and
21 retirement systems oversight committee shall be provided by the
22 legislative council service, but actuarial and other outside
23 consultants are authorized as necessary to assist the committee
24 in carrying out its duties.

25 Section 6. APPROPRIATION.--One hundred fifty thousand
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1 dollars (\$150,000) is appropriated from the general fund to the
2 legislative council service for expenditure in fiscal years
3 2007 and 2008 for the purpose of paying for technical and legal
4 assistance and actuarial and other outside consultants to
5 assist the state investment and retirement systems oversight
6 committee, for necessary equipment and supplies used in
7 carrying out the provisions of this act and for reimbursing the
8 per diem and mileage expenses of the committee. Any unexpended
9 or unencumbered balance remaining at the end of fiscal year
10 2008 shall revert to the general fund. Payments from the
11 appropriation shall be made upon vouchers signed by the
12 director of the legislative council service or the director's
13 authorized representative.

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

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