

AN ACT

RELATING TO PUBLIC MONEY; REQUIRING INFORMATION CONCERNING  
THIRD-PARTY MARKETERS TO BE DISCLOSED BEFORE MAKING CERTAIN  
INVESTMENTS.

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

Section 1. A new section of Chapter 6, Article 8 NMSA  
1978 is enacted to read:

"DISCLOSURE OF THIRD-PARTY MARKETERS--PENALTY.--

A. Neither the state investment council nor the  
state investment officer shall make any investment, other than  
investments in publicly traded equities or publicly traded  
fixed-income securities, unless the recipient of the  
investment discloses the identity of any third-party marketer  
who rendered services on behalf of the recipient in obtaining  
the investment and also discloses the amount of any fee,  
commission or retainer paid to the third-party marketer for  
the services rendered.

B. Information disclosed pursuant to Subsection A  
of this section shall be included in the monthly reports of  
the state investment officer and the annual reports of the  
state investment council.

C. Any person who knowingly withholds information  
required by Subsection A of this section is guilty of a fourth  
degree felony and shall be punished by a fine of not more than

twenty thousand dollars (\$20,000) or by imprisonment for a definite term not to exceed eighteen months or both.

D. As used in this section, "third-party marketer" means a person who, on behalf of an investment fund manager or other person seeking an investment of public money and under a written or implied agreement, receives a fee, commission or retainer for such services from the person seeking an investment of public money."

Section 2. A new section of the Public Employees Retirement Act is enacted to read:

"DISCLOSURE OF THIRD-PARTY MARKETERS--PENALTY.--

A. The retirement board shall not make any investment, other than investments in publicly traded equities or publicly traded fixed-income securities, unless the recipient of the investment discloses the identity of any third-party marketer who rendered services on behalf of the recipient in obtaining the investment and also discloses the amount of any fee, commission or retainer paid to the third-party marketer for the services rendered.

B. Information disclosed pursuant to Subsection A of this section shall be included in the quarterly performance reports of the retirement board.

C. Any person who knowingly withholds information required by Subsection A of this section is guilty of a fourth degree felony and shall be punished by a fine of not more than

twenty thousand dollars (\$20,000) or by imprisonment for a definite term not to exceed eighteen months or both.

D. As used in this section, "third-party marketer" means a person who, on behalf of an investment fund manager or other person seeking an investment from the fund and under a written or implied agreement, receives a fee, commission or retainer for such services from the person seeking an investment from the fund."

Section 3. A new section of the Educational Retirement Act is enacted to read:

"DISCLOSURE OF THIRD-PARTY MARKETERS--PENALTY.--

A. The board shall not make any investment, other than investments in publicly traded equities or publicly traded fixed-income securities, unless the recipient of the investment discloses the identity of any third-party marketer who rendered services on behalf of the recipient in obtaining the investment and also discloses the amount of any fee, commission or retainer paid to the third-party marketer for the services rendered.

B. Information disclosed pursuant to Subsection A of this section shall be included in the quarterly performance reports of the board.

C. Any person who knowingly withholds information required by Subsection A of this section is guilty of a fourth degree felony and shall be punished by a fine of not more than

twenty thousand dollars (\$20,000) or by imprisonment for a definite term not to exceed eighteen months or both.

D. As used in this section, "third-party marketer" means a person who, on behalf of an investment fund manager or other person seeking an investment from the fund and under a written or implied agreement, receives a fee, commission or retainer for such services from the person seeking an investment from the fund."

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