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FISCAL IMPACT REPORT

SPONSOR Candelaria ORIGINAL DATE 02/07/14
LAST UPDATED _____ HB _____
SHORT TITLE County Treasurer Education Requirements, CA SJR 19
ANALYST Cerny

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		>\$ 46.0		>\$ 46.0	Nonrecurring	Election Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

Department of Finance and Administration (DFA)

No Response

Association of Counties

SUMMARY

Synopsis of Bill

Senate Joint Resolution 19 proposes an amendment to Article 10 of Constitution of the State of New Mexico by adding a new section that will require professional qualifications and continuing education requirements for county treasurers. It requires the legislature to provide by law qualifications in finance, banking, or other relevant qualifications for county treasurers.

It further provides that it will apply to county treasurers elected beginning with the general election in 2016, and thereafter, as well as to those appointed to fill a vacancy any time after July 1, 2015.

FISCAL IMPLICATIONS

Under Section 1-16-13 NMSA 1978 and the NM constitution, the SOS is required to print samples of the text of each constitutional amendment, in both Spanish and English, in an amount equal to ten percent of the registered voters in the state. The SOS is also required to publish them once a week for four weeks preceding the election in newspapers in every county in the state. In 2012, the cost for the 2012 General Election ballots was \$46 thousand per constitutional amendment. However, if the ballot size is greater than one page, front and back, it would increase the cost of conducting the general election. In addition to the cost of the ballot, there

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will be added time for processing voters to vote and would mean additional ballot printing systems would be required to avoid having lines at voting convenience centers.

SIGNIFICANT ISSUES

To successfully amend the constitution, a majority of legislators in both the House and the Senate must vote in favor of the amendment. The SOS must publish the amendment in ways specified by Article 19, Section 1, and then a majority of voters must vote in favor of the amendment in the next election.

Section 4-43 2 NMSA 1978 details the duties of the county treasurer as follows:

The county treasurer shall keep:

- A. account of all money received and disbursed;
- B. regular accounts of all checks and warrants drawn on the treasury and paid; and
- C. the books, papers and money pertaining to his office ready for inspection by the board of county commissioners at all times.

The New Mexico County Treasurers Handbook (10th edition, December 2012 which may be found here: <http://aces.nmsu.edu/ces/countycollege/documents/treasurer-2012-handbook-final-jan-7-2013.pdf>) addresses, for example, the county treasurer's role in the investment of county funds, as follows:

The County Treasurer, with the advice and consent of the Board of Finance, makes the deposits and investments (§6-10-8 NMSA). Investment of sinking funds (See *General Obligation Bonds*, below) also requires the consent of the Board of Finance (§6-10-10 NMSA). In some counties, the Board of Finance formally delegates the authority relating to investments to the County Treasurer or other staff member competent in the field. In all cases, however, the Board retains ultimate responsibility.

Current statute does not address qualifications for an individual who wishes to run for county treasurer. Since, as stated, some counties delegate authority to make investments to the county treasurer, having a person who is qualified to perform this duty is a significant issue.

The resolution also does not address what agency or public body might be required to determine the keep records on the eligibility of county treasurer candidates and/or continuing education credits and applicability, once the legislature determines these requirements.

OTHER SUBSTANTIVE ISSUES

Some states have eligibility requirements for county treasurers. To give one example, California Government Code Section 27000.7 (1998) spells out the requirements in that state:

No person shall be eligible for election or appointment to the office of county treasurer, county tax collector, or county treasurer-tax collector of any county unless that person meets at least one of the following criteria:

- (1) The person has served in a senior financial management position in a county, city, or other public agency dealing with similar financial responsibilities for a

continuous period of not less than three years, including, but not limited to, treasurer, tax collector, auditor, auditor-controller, or the chief deputy or an assistant in those offices.

- (2) The person possesses a valid baccalaureate, masters, or doctoral degree from an accredited college or university in any of the following major fields of study: business administration, public administration, economics, finance, accounting, or a related field, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.
- (3) The person possesses a valid certificate issued by the California Board of Accountancy pursuant to Chapter 1 (commencing with Section 5000) of Division 3 of the Business and Professions Code, showing that person to be, and a permit authorizing that person to practice as, a certified public accountant.
- (4) The person possesses a valid charter issued by the Institute of Chartered Financial Analysts showing the person to be designated a Chartered Financial Analyst, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.
- (5) The person possesses a valid certificate issued by the Treasury Management Association showing the person to be designated a Certified Cash Manager, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.

Continuing education requirements for county treasurers in the state of California are similarly detailed in subsequent code (California Government Code Section 27000.8-9). The code exempted county treasurers then currently two years into their term of office from meeting the requirements during the remaining term of office. However, newly-elected or appointed county treasurers were required to complete, within their four year term, “a continuing education program consisting of a minimum of forty-eight credit hours within the discipline of treasury management, tax collection, public finance, public administration, governmental accounting, or directly related subjects, offered by a recognized state or national association, institute, or accredited college or university, or the California Debt and Investment Advisory Commission.” Beginning in the year 2000 (when all county treasurers would have been subject to the eligibility requirements for office) the requirement stipulated a minimum of twenty-four hours of continuing education within a two-year period. The code also required that the duly elected or appointed county officer present certification to the state controller indicating successful completion of the continuing education coursework. Willful or negligent failure of any county treasurer to comply with the requirements would be a violation of the section of code.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

County treasurers are required to make decisions on complex financial and investment related issues. Not passing the legislation means potentially unqualified persons may continue to run for a county treasurer’s office.