



The Legislature
of the
State of New Mexico

50th Legislature, 1st Session

LAWS 2011

CHAPTER 167

HOUSE BILL 52

Introduced by

REPRESENTATIVE LUCIANO "LUCKY" VARELA



ENDORSED BY THE INVESTMENTS OVERSIGHT
COMMITTEE

Chapter 167

AN ACT

RELATING TO PUBLIC FINANCES; CLARIFYING THE INVESTMENT STANDARDS FOR INVESTMENT OF THE TOBACCO SETTLEMENT PERMANENT FUND.

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

SECTION 1. Section 6-4-9 NMSA 1978 (being Laws 1999, Chapter 207, Section 1, as amended) is amended to read:

"6-4-9. TOBACCO SETTLEMENT PERMANENT FUND--INVESTMENT--DISTRIBUTION.--

A. The "tobacco settlement permanent fund" is created in the state treasury. The fund shall consist of money distributed to the state pursuant to the master settlement agreement entered into between tobacco product manufacturers and various states, including New Mexico, and executed November 23, 1998 or any money released to the state from a qualified escrow fund or otherwise paid to the state as authorized by the model statute, Sections 6-4-12 and 6-4-13 NMSA 1978, enacted pursuant to the master settlement agreement. Money in the fund shall be invested by the state investment officer in accordance with the limitations in Article 12, Section 7 of the constitution of New Mexico. Income from investment of the fund shall be credited to the fund. Money in the fund shall not be expended for any purpose, except as provided in this section.

1 B. In fiscal years 2003 through 2006, a
2 distribution shall be made from the tobacco settlement
3 permanent fund to the general fund in an amount equal to one
4 hundred percent of the total amount of money distributed to
5 the tobacco settlement permanent fund in that fiscal year.

6 C. In fiscal year 2007 and in each fiscal year
7 thereafter, an annual distribution shall be made from the
8 tobacco settlement permanent fund to the tobacco settlement
9 program fund of an amount equal to fifty percent of the total
10 amount of money distributed to the tobacco settlement
11 permanent fund in that fiscal year until that amount is less
12 than an amount equal to four and seven-tenths percent of the
13 average of the year-end market values of the tobacco
14 settlement permanent fund for the immediately preceding five
15 calendar years. Thereafter, the amount of the annual
16 distribution shall be four and seven-tenths percent of the
17 average of the year-end market values of the tobacco
18 settlement permanent fund for the immediately preceding five
19 calendar years. In the event that the actual amount
20 distributed to the tobacco settlement program fund in a fiscal
21 year is insufficient to meet appropriations from that fund for
22 that fiscal year, the secretary of finance and administration
23 shall proportionately reduce each appropriation accordingly.

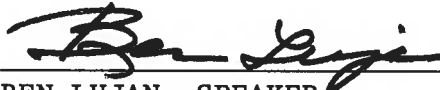
24 D. In addition to the distribution made pursuant
25 to Subsection C of this section, in fiscal year 2009, fiscal

1 year 2010 and fiscal year 2011, the remaining fifty percent of
2 the total amount of money distributed to the tobacco
3 settlement permanent fund in that fiscal year shall be
4 distributed from the tobacco settlement permanent fund to the
5 tobacco settlement program fund.

6 E. The tobacco settlement permanent fund shall be
7 considered a reserve fund of the state and, as a reserve fund,
8 may be expended in the event that general fund balances,
9 including all authorized revenues and transfers to the general
10 fund and balances in the general fund operating reserve, the
11 appropriation contingency fund and the tax stabilization
12 reserve, will not meet the level of appropriations authorized
13 from the general fund for a fiscal year. In that event, in
14 order to avoid an unconstitutional deficit, the legislature
15 may authorize a transfer from the tobacco settlement permanent
16 fund to the general fund but only in an amount necessary to
17 meet general fund appropriations."

18 SECTION 2. EFFECTIVE DATE.--The effective date of the
19 provisions of this act is July 1, 2011. _____

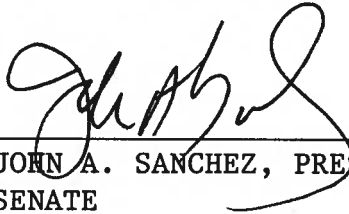
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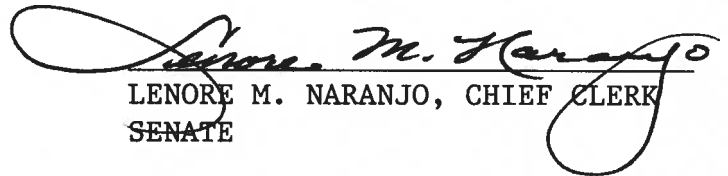
BEN LUJAN, SPEAKER
HOUSE OF REPRESENTATIVES



STEPHEN R. ARIAS, CHIEF CLERK
HOUSE OF REPRESENTATIVES



JOHN A. SANCHEZ, PRESIDENT
SENATE



LENORE M. NARANJO, CHIEF CLERK
SENATE

Approved by me this 8th day of April, 2011



SUSANA MARTINEZ, GOVERNOR
STATE OF NEW MEXICO

Office of the Governor

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