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HOUSE BILL 290

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Jim R. Trujillo

AN ACT

RELATING TO PUBLIC MONEY; PROVIDING AN ALTERNATIVE PROCEDURE FOR INVESTING PUBLIC MONEY IN BANKS AND IN SAVINGS AND LOAN ASSOCIATIONS.

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

SECTION 1. Section 6-10-24 NMSA 1978 (being Laws 1939, Chapter 21, Section 1, as amended) is amended to read:

"6-10-24. DEPOSIT OF PUBLIC FUNDS IN FEDERALLY INSURED BANKS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS--
CONDITIONS.--

A. The state treasurer, the ~~several~~ county and municipal treasurers, the ~~treasurers~~ treasurer of any public or educational institution in this state and the treasurers of all irrigation districts and conservancy districts may deposit public funds in any ~~bank of the state of~~ federally insured

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 bank, savings and loan association or credit union in New
2 Mexico [~~insured by the federal deposit insurance corporation~~]
3 up to the amount of the insurance [~~or in any savings and loan~~
4 ~~association whose deposits are insured by the federal savings~~
5 ~~and loan insurance corporation up to the amount of the~~
6 ~~insurance or in any credit union whose deposits are insured by~~
7 ~~the national credit union administration up to the amount of~~
8 ~~the insurance]~~ without requiring the bank, savings and loan
9 association or credit union to qualify as a public depository
10 by giving security as required by the laws of New Mexico
11 relating to public money [~~provided, however, that a deposit~~
12 ~~made in any credit union shall not exceed that amount insured~~
13 ~~by an agency of the United States]~~.

14 B. The [~~several~~] county and municipal treasurers
15 and the treasurers of all irrigation districts and conservancy
16 districts shall not make any deposits outside their respective
17 political subdivisions.

18 C. All other boards of control handling public
19 funds in any manner whatever may deposit the public funds in
20 any [~~banks~~] federally insured bank, savings and loan
21 association or credit union in New Mexico [~~insured by the~~
22 ~~federal deposit insurance corporation~~] up to the amount of the
23 insurance [~~or in any savings and loan association whose~~
24 ~~deposits are insured by the federal savings and loan insurance~~
25 ~~corporation up to the amount of the insurance or in any credit~~

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underscored material = new
[bracketed material] = delete

1 ~~union whose deposits are insured by the national credit union~~
2 ~~administration up to the amount of such insurance]~~ without
3 requiring the bank, savings and loan association or credit
4 union to qualify as a public depository by giving security as
5 required by the laws of New Mexico relating to public money
6 ~~[provided, however, that a deposit made in any credit union~~
7 ~~shall not exceed that amount insured by an agency of the United~~
8 ~~States].~~

9 D. In addition to the deposit authority set forth
10 in Subsections A, B and C of this section, and without regard
11 to the limitations and requirements of those subsections and
12 Sections 6-10-10, 6-10-24.1, 6-10-29, 6-10-31 and 6-10-36 NMSA
13 1978, the state treasurer, the county and municipal treasurers,
14 the treasurer of any public or educational institution in this
15 state and the treasurers of all irrigation districts and
16 conservancy districts and all other boards of control may
17 invest public funds in accordance with the following
18 conditions:

19 (1) the funds are invested through a federally
20 insured bank or savings and loan association in New Mexico that
21 is selected by the investing entity;

22 (2) the selected bank or savings and loan
23 association arranges for the investment of the funds in
24 certificates of deposit in one or more federally insured banks
25 or savings and loan associations, wherever located, for the

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1 account of the investing entity;

2 (3) the full amount of the principal and any
3 accrued interest of each such certificate of deposit is insured
4 by the federal deposit insurance corporation;

5 (4) the selected bank or savings and loan
6 association in New Mexico acts as custodian for the investing
7 entity with respect to such certificates of deposit issued for
8 its account; and

9 (5) at the same time that the investing
10 entity's funds are deposited and the certificates of deposit
11 are issued, the selected bank or savings and loan association
12 receives an amount of deposits from customers of other
13 federally insured financial institutions, wherever located,
14 equal to or greater than the amount of the funds initially
15 invested by the investing entity through the selected bank or
16 savings and loan association.

17 E. Certificates of deposit issued to an investing
18 entity in accordance with Subsection D of this section shall be
19 deemed to be interest bearing securities not subject to the
20 geographic restrictions of Subsection C of Section 6-10-36 NMSA
21 1978."

22 SECTION 2. EFFECTIVE DATE.--The effective date of the
23 provisions of this act is July 1, 2015.