

1 HOUSE BILL 621

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Doreen Y. Gallegos

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10 AN ACT

11 RELATING TO PUBLIC FINANCE; CREATING THE PERMANENT EDUCATION  
12 EMERGENCY RESERVE FUND; CONDITIONALLY ALLOWING FOR  
13 APPROPRIATIONS FROM THAT FUND TO THE STATE EQUALIZATION  
14 GUARANTEE DISTRIBUTION WHEN GENERAL FUND REVENUE LEVELS ARE  
15 FORECAST TO DECLINE; MAKING AN APPROPRIATION.

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

18 SECTION 1. A new section of Chapter 6 NMSA 1978 is  
19 enacted to read:

20 "[NEW MATERIAL] PERMANENT EDUCATION EMERGENCY RESERVE  
21 FUND.--

22 A. The "permanent education emergency reserve fund"  
23 is created in the state treasury. The fund consists of all  
24 additions to it and all income from investment of the fund.  
25 The state investment officer shall invest the money in the

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1 fund. Money in the permanent education emergency reserve fund  
2 may be used only as provided in Subsection B of this section.

3 B. If the market value of the permanent education  
4 emergency reserve fund is sixty million dollars (\$60,000,000)  
5 or more and a legislative-executive consensus forecast for  
6 general fund revenue for the current or following fiscal year  
7 shows a decline of five percent or more from the forecast for  
8 the preceding fiscal year, the legislature may appropriate  
9 money from the permanent education emergency reserve fund to  
10 the state equalization guarantee distribution in a necessary  
11 amount that is in excess of fund's sixty million dollar  
12 (\$60,000,000) corpus."

13 SECTION 2. Section 6-8-1 NMSA 1978 (being Laws 1957,  
14 Chapter 179, Section 1, as amended) is amended to read:

15 "6-8-1. DEFINITIONS.--As used in Chapter 6, Article 8  
16 NMSA 1978:

17 A. "council" means the state investment council;

18 B. "department" means the department of finance and  
19 administration;

20 C. "land grant permanent funds" means the permanent  
21 school fund established pursuant to the provisions of Article  
22 12, Section 2 of the constitution of New Mexico and all other  
23 permanent funds derived from lands granted or confirmed to the  
24 state by the act of congress of June 20, 1910, entitled "An act  
25 to enable the people of New Mexico to form a constitution and

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1 state government and be admitted into the union on an equal  
2 footing with the original states";

3 D. "permanent funds" means the land grant permanent  
4 funds, permanent education emergency reserve fund, severance  
5 tax permanent fund, tobacco settlement permanent fund and water  
6 trust fund;

7 E. "secretary" means the secretary of finance and  
8 administration;

9 F. "severance tax permanent fund" means the fund  
10 established pursuant to the provisions of Article 8, Section 10  
11 of the constitution of New Mexico;

12 G. "tobacco settlement permanent fund" means the  
13 fund established pursuant to the provisions of Section 6-4-9  
14 NMSA 1978; and

15 H. "water trust fund" means the fund established  
16 pursuant to the provisions of Article 16, Section 6 of the  
17 constitution of New Mexico."

18 **SECTION 3. APPROPRIATION.**--Sixty million dollars  
19 (\$60,000,000) is appropriated from the general fund to the  
20 permanent education emergency reserve fund in fiscal year 2020.

21 **SECTION 4. EFFECTIVE DATE.**--The effective date of the  
22 provisions of this act is July 1, 2019.