**Purpose:** To provide guidance to agencies of the State of New Mexico in the state-wide implementation of Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (Statement No. 54) issued by the Governmental Accounting Standards Board (GASB).

**What it Does:** Statement No. 54 replaces the old fund balance terminology (“Reserved”, “Unreserved”, “Designated”, and “Undesignated”) with new financial reporting categories for fund balances of governmental funds.

Statement No. 54 also refines the definitions of the governmental fund types.

Statement No. 54 does not apply to the government-wide statements or to proprietary or fiduciary fund types.

**Effective Date:** Although early implementation was permitted, Statement No. 54 is being implemented by all agencies of the State of New Mexico for the fiscal year beginning July 1, 2010 and ending June 30, 2011.

**Sources:** Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definition; AGA 2010 Summer Review Series, How Will GASB 54 Affect Your Entity; KPMG Government Institute Webcast Series: GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions—Implementation Issues

---

**Disclaimer**

The following is intended to provide guidance to agencies of the State of New Mexico as they implement GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for the fiscal year ending June 30, 2011. In some instances, technical language has been simplified for clarity of presentation. Users are encouraged to refer to the original Statement No. 54 for more specific terminology. In any unintended instances where this guidance conflicts with that of Statement No. 54, the language of Statement No. 54, together with the Implementation Guides and other publications of the Governmental Accounting Standards Board (GASB), will govern.
New Fund Balance Classifications

The terminology which has been used to classify elements of fund balance, such as “Reserved”, “Unreserved”, “Designated”, and “Undesignated” has been replaced with five new classifications. These new classifications in the hierarchy are:

<table>
<thead>
<tr>
<th>Nonspendable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spendable</td>
</tr>
<tr>
<td>1 Restricted</td>
</tr>
<tr>
<td>2 Committed</td>
</tr>
<tr>
<td>3 Assigned</td>
</tr>
<tr>
<td>4 Unassigned</td>
</tr>
</tbody>
</table>

The above primarily comprise a hierarchy of classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in that fund can be spent. The classification of the resources will depend on how difficult it would be to undo the constraint. The classifications are listed in descending order of constraints; that is, the nonspendable category is the most limited and it means just that, it cannot be considered for spending. The restricted classification identifies the most limited resources which can be spent and unassigned is the least restricted category. If an amount fulfills the definition of a higher classification in the hierarchy, it cannot then be considered for a lower classification in the hierarchy.

Please note that not all classifications will be used for each fund. For many funds, only one classification will be necessary. Those classifications with zero amounts need not be shown in the financial statements.

A brief explanation of each of the new classifications follows. Users are urged to refer to the original language of Statement No. 54 for exact terminology.

**Nonspendable**

This classification includes two main categories:

1) Amounts not in a spendable form, such as prepaid expenses, inventories, or long-term portion of receivables or property held for resale, if the use of the proceeds from the collection/sale of property held for resale is not otherwise constrained;

   a) If the use of the proceeds is constrained, then report under the appropriate spendable fund balance category.

2) Amounts legally or contractually required to remain intact, such as the principal of a permanent fund.

Note 1: Interfund advances would be considered as nonspendable if not expected to be collected within the next twelve months.
**Spendable**

The constraint hierarchy of “spendable” fund balance categories can be depicted as follows:

```
<table>
<thead>
<tr>
<th>Highest Level of Constraint</th>
<th>Lowest Level of Constraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Restricted</td>
<td>4 Unassigned</td>
</tr>
<tr>
<td>2 Committed</td>
<td></td>
</tr>
<tr>
<td>3 Assigned</td>
<td></td>
</tr>
<tr>
<td>4 Unassigned</td>
<td></td>
</tr>
<tr>
<td>Externally constrained or enabling legislation</td>
<td>Internally constrained (formality of constraint)</td>
</tr>
</tbody>
</table>
```

**Restricted**

This classification includes amounts controlled by the following:

1) Imposed by law through constitutional provisions or enabling legislation (state statute):

   a) Enabling Legislation

      i. Authorizes the government to levy, assess, or charge external source providers, **and**

      ii. Includes a legally enforceable requirement that the resources be used for a particular purpose specified in the **same** legislation.

      iii. See attachments 4 and 5 for examples of specific language authorizing the revenue stream and fund/activity.

2) Externally imposed by grantors, contributors, laws or regulations of other governments, or by creditors, such as through debt covenants.

**Committed**

This classification includes those amounts that can only be used for specific purposes pursuant to formal action of the government’s highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the constraint is changed by similar action. When identifying the highest level of authority, the focus needs to be on determining the most binding action. If both legislative and executive branches exist within the government, then approval by both branches is required to approve (or rescind) the formal action. The formal action of the government’s highest level of decision-making authority, which commits fund balance to a specific purpose, should occur prior to the end of the reporting period.

Differentiating between restricted through enabling legislation vs. committed:

- Restricted through enabling legislation
  - Use restriction is included as part of the legislation creating the revenue source
  - Use restriction is considered **legally enforceable**
• Committed
  o **Use constraint is imposed unilaterally by government separate from legislation creating the revenue source.** See Attachments 2 and 3 for examples of specific languages regarding the imposition of the revenue stream and the authorization of the fund/activity.
  o Allocation or earmarking of existing resource flows
  o Use constraint is not legally enforceable
  o Amounts may be redeployed for other purposes with appropriate due process

Note 2: Matching amounts required by a grant that creates restricted resources should also be reported as restricted, even though they are the government’s own resources.

**Assigned**

This classification indicates the **intent** to use resources for a specific purpose, but is neither restricted or committed. This intent may be made by any level of decision-making authority in the government if the governing body has expressly delegated that authority to the official or to a committee. In addition, constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Assigned fund balance includes:

1) All positive remaining fund balance in governmental funds other than the general fund that is not considered nonspendable and not restricted or committed.

2) Fund balance in the general fund intended for a specific use narrower than general purpose of the government.

Note 3: Governments should not report an assignment for an amount to a specific purpose in the General Fund if the assignment would result in a deficit in unassigned fund balance.

Note 4: Please note that an appropriation of an existing fund balance in order to eliminate a projected budgetary deficit in the next year’s budget is considered an assigned amount; however, an assignment of fund balance cannot cause a deficit in the category of unassigned fund balance. If expenditures incurred for specific purposes exceeded the amounts classified as restricted, or committed, it will be necessary to reduce the amount of assigned to eliminate the deficit fund balance.

**Unassigned**

Unassigned fund balance would be the residual amount after all classifications have been considered. A positive unassigned fund balance will be reported in the **General Fund only.** If a fund other than the General Fund reports restricted and/or committed fund balance in excess of the total available amount of fund balance, a deficit will then be reported in the unassigned classification. Negative amounts cannot be reported for restricted, committed, or assigned balances.

Note 5: If a fund reports negative unassigned fund balance, the same fund cannot report an assigned amount.
Note 6: If expenditures incurred for a specific purpose exceed amounts restricted, committed, or assigned for that purpose, resulting in a negative residual balance for that purpose:

1) In the general fund, the negative residual balance is eliminated by reducing unassigned fund balance.

2) In other governmental funds:
   a) There is no unassigned fund balance to reduce.
   b) Therefore, amounts assigned to other purposes in the fund should be reduced to eliminate deficit.
   c) If all assigned balances are eliminated and a deficit still remains, report negative unassigned fund balance.
   d) Restricted and committed fund balances should not be reduced.
   e) Allocating deficit unassigned fund balance on a prorated basis is not permitted.

### Treatment of a Negative Residual Balance in a Special Revenue Fund

#### Ending Fund Balance as of June 30, xx

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Total</th>
<th>Restricted</th>
<th>Committed</th>
<th>Assigned</th>
<th>Unassigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(5,000)</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>(5,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services</td>
<td>7,000</td>
<td>4,000</td>
<td>2,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>12,000</td>
<td>9,000</td>
<td>2,000</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td>8,000</td>
<td>6,000</td>
<td>-</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Ending Fund Balance</td>
<td>22,000</td>
<td>19,000</td>
<td>4,000</td>
<td>4,000</td>
<td>(5,000)</td>
</tr>
</tbody>
</table>

### Allocation of Negative Residual

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Total</th>
<th>Restricted</th>
<th>Committed</th>
<th>Assigned</th>
<th>Unassigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation of Negative Residual</td>
<td></td>
<td></td>
<td></td>
<td>(4,000)</td>
<td>4,000</td>
</tr>
<tr>
<td>Final Ending Fund Balance</td>
<td>22,000</td>
<td>19,000</td>
<td>4,000</td>
<td>-</td>
<td>(1,000)</td>
</tr>
</tbody>
</table>

- The deficit unassigned fund balance for the Transportation purpose needs to be allocated among the remaining assigned balances until the deficit is absorbed or no further assigned amounts available to offset.
- Total assigned fund balance available to absorb the deficit unassigned fund balance
- Since the deficit unassigned fund balance was $5,000 and $4,000 of assigned fund balance was available, the special revenue fund will report a deficit unassigned fund balance of $1,000. The remaining unassigned deficit fund balance cannot be offset with the balances for restricted or committed.

### Reporting

1) Amounts may be displayed on the financial statements separately or in the aggregate. If the amounts are reported in the aggregate, then the individual amounts need to be disclosed in the notes.
2) Any combination of reporting amounts in the aggregate or separately is acceptable.

3) The description of the constraint will be precise depending on the purpose, but not any broader than the functional expenditure category (Health and Human Services, Transportation, Public Safety, etc.).

4) Ensure the purpose is truly a purpose (“Restricted for grants” or “Restricted from Contributions” does not indicate purpose.

5) Presentation of Examples

   a) Mix of aggregate and separate components of fund balance

<table>
<thead>
<tr>
<th>Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
</tr>
<tr>
<td>ASSETS</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
</tr>
<tr>
<td>Investments</td>
</tr>
<tr>
<td>Receivables</td>
</tr>
<tr>
<td>Accounts, net</td>
</tr>
<tr>
<td>Accrued Interest</td>
</tr>
<tr>
<td>Accrued Taxes, net</td>
</tr>
<tr>
<td>Notes/Mortgages, net</td>
</tr>
<tr>
<td>Due From Other Funds</td>
</tr>
<tr>
<td>Due From Component Units</td>
</tr>
<tr>
<td>Inventories</td>
</tr>
<tr>
<td>Interfund Loans Receivable</td>
</tr>
<tr>
<td>Other Assets</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
</tr>
<tr>
<td>Due To Other Funds</td>
</tr>
<tr>
<td>Due To Component Units</td>
</tr>
<tr>
<td>Deferred Revenue</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
</tbody>
</table>

   | Fund Balances                 |
   | Nonspendable                  |
   | Long-term Portion of Interfund Loans Receivable | 2,861 | — | — | — |
   | Inventories                  | 411       | —           | 11,646    | — |
   | Permanent Fund Principal      | —         | —           | —         | — |
   | Restricted                    | 35,171    | 523,104     | 178,759   | 437,503 |
   | Committed                     | 371,354   | —           | 37,354    | 149,047 |
   | Assigned                      | 222,963   | —           | 918       | — |
   | Unassigned                    | 14,884    | —           | —         | — |
   | Total Fund Balances           | 647,544   | 523,104     | 228,677   | 586,550 |
   | Total Liabilities and Fund Balances | $ 1,139,471 | $ 803,256 | $ 411,889 | $ 588,986 |

The Notes to the Financial Statements are an integral part of this statement.
b) Disclosure information for aggregated balances

1) Required Disclosures

Agencies should disclose several items concerning their fund balance classification policies and procedures in the Notes to the Financial Statements.

a) Committed Fund Balance

i. For committed fund balance, the following should be disclosed: a) the government’s highest level of decision-making authority, and b) the formal action that is required to be taken to establish or modify a fund balance commitment.

ii. The agency’s highest level of decision-making authority will be the Legislature and the Executive (Governor) branches.

---

### Governmental Fund Balances

The State’s fund balances represent: (1) **Restricted Purposes**, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grants, contributors, or laws or regulations of other governments; (2) **Committed Purposes**, which includes balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature; and (3) **Assigned Purposes**, which includes balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2010, follows:

#### Governmental Fund Balances

(Expressed in Thousands)

<table>
<thead>
<tr>
<th>General Fund:</th>
<th>Restricted Purposes</th>
<th>Committed Purposes</th>
<th>Assigned Purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Operations</td>
<td>$5,489</td>
<td>$5,489</td>
<td>$5,489</td>
</tr>
<tr>
<td>Governor</td>
<td>18,193</td>
<td>18,193</td>
<td>18,193</td>
</tr>
<tr>
<td>Public Safety</td>
<td>40,719</td>
<td>40,719</td>
<td>40,719</td>
</tr>
<tr>
<td>Health</td>
<td>22,369</td>
<td>22,369</td>
<td>22,369</td>
</tr>
<tr>
<td>Environmental Quality</td>
<td>6,365</td>
<td>6,365</td>
<td>6,365</td>
</tr>
<tr>
<td>Higher Education</td>
<td>6,319</td>
<td>6,319</td>
<td>6,319</td>
</tr>
<tr>
<td>Employment and Family Services</td>
<td>39,734</td>
<td>39,734</td>
<td>39,734</td>
</tr>
<tr>
<td>Community and Culture</td>
<td>3,196</td>
<td>3,196</td>
<td>3,196</td>
</tr>
<tr>
<td>Business, Labor, and Agriculture</td>
<td>27,937</td>
<td>27,937</td>
<td>27,937</td>
</tr>
<tr>
<td>Budget Reserve (Unfunded Reserve)</td>
<td>120,030</td>
<td>120,030</td>
<td>120,030</td>
</tr>
<tr>
<td>Industrial Assistance</td>
<td>28,035</td>
<td>28,035</td>
<td>28,035</td>
</tr>
<tr>
<td>Postemployment and Other Liabilities</td>
<td>139,575</td>
<td>139,575</td>
<td>139,575</td>
</tr>
<tr>
<td>Fiscal Year 2011 Appropriations</td>
<td>83,388</td>
<td>83,388</td>
<td>83,388</td>
</tr>
<tr>
<td>Other</td>
<td>9,728</td>
<td>9,728</td>
<td>9,728</td>
</tr>
<tr>
<td>Total</td>
<td>$35,171</td>
<td>$371,354</td>
<td>$222,963</td>
</tr>
</tbody>
</table>

#### Education Fund:

| Minimum School Program | $43,084 | $43,084 | $43,084 |
| State Office of Education | 14,056 | 14,056 | 14,056 |
| School Land Interest | 27,193 | 27,193 | 27,193 |
| Education Budget Reserve Account | 104,733 | 104,733 | 104,733 |
| Postemployment and Other Liabilities | 181,471 | 181,471 | 181,471 |
| Fiscal Year 2011 Appropriations | 135,877 | 135,877 | 135,877 |
| Other | 870 | 870 | 870 |
| Total | $523,104 | $523,104 | $523,104 |

#### Transportation Fund:

| Transportation - Construction/Maintenance | $76,160 | $33,660 | $918 |
| Public Safety | 12,006 | 12,006 | 12,006 |
| Corridor Preservation | 35,572 | 35,572 | 35,572 |
| Aeronautical Programs | 6,046 | 6,046 | 6,046 |
| Postemployment and Other Liabilities | 48,040 | 48,040 | 48,040 |
| Total | $178,759 | $37,354 | $918 |
b) Assigned Fund Balance

i. For assigned fund balance, the following should be disclosed: a) the body or official authorized to assign amounts to a specific purpose, and b) the policy established which gives that body or official the authorization.

ii. The agency’s authorized body or official will be the Legislative and the Executive (Governor) branch.

c) Standard fund balance classification policies disclosure:

i. To be included in Note 1 under Summary of Significant Accounting Policies:

   In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature’s and Executive Branch’s intent to be used for specific purposes or in some cases by legislation. See Note ____ for additional information about fund balances.

ii. To be included in either Note 1 under Summary of Significant Accounting Policies or the note disclosing the detail of aggregated balances presented on the face of the financial statements.

   The agency’s fund balances represent: 1) Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; 2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; 3) Assigned Purposes, which includes balances that are constrained by the government’s intent to be used for specific purposes, but are neither restricted or committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2011, follows:

2) Classification Procedures – Order of Spending Fund Balance

a) Agencies should adopt and disclose an Order of Spending Fund Balance policy with respect to:

i. Whether the government considers restricted or unrestricted amounts to have been spent when there is a choice available;

ii. Whether committed, assigned, or unassigned amounts are considered to have been spent when there is a choice available.
b) All agencies of the State of New Mexico shall adopt what is referred to as the default policy.
   
i. Restricted amounts will be considered to have been spent before unrestricted amounts when there is a choice available;
   
ii. Committed, assigned, and unassigned amounts will be considered to have been spent in that same order when there is a choice available.

c) There may be specific cases where an agency needs to adopt a spending policy different than the State’s default policy. If this is the case, it is the agency’s responsibility to disclose their specific spending policy within the financial statements. In addition, the agency must notify the CAFR Unit of the change in disclosure for inclusion in the CAFR.

d) Standard spending policy disclosure:

   When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the State’s policy to use restricted resources first. When expenditures/expenses are incurred for purposes, for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the State’s policy to spend committed resources first.

3) Reporting Encumbrances

   a) Encumbrances will not be reported on the face of the balance sheet. Significant encumbrances should be disclosed in the Notes to the Financial Statements as follows:

      i. For each major fund;
      
      ii. In the aggregate for the nonmajor funds.

b) For agencies of the State of New Mexico, encumbrances will be mainly for multi-year appropriations, with most of these balances in Capital Projects Funds.

4) Minimum Fund Balance Policy

   Agencies should not adopt a minimum fund balance policy. This is the prerogative of the State Legislature and the Executive (Governor) Branch.

5) Restatement of Fund Balance Classification Amounts

   a. The adoption of Statement No. 54 is an implementation of a new accounting standard. This is regarded as a change in accounting principle; therefore, affected fund balance amounts must be restated.

   b) Previously reported fund balance classifications must be restated to reflect beginning fund balance amounts under the new classifications.
c) Standard restatement disclosure:

GASB Statement No. 54 clarifies the existing governmental fund type definitions and provides clearer fund balance categories and classifications. The new hierarchical fund balance classifications are based primarily upon the extent to which a government is bound to follow constraints on resources in governmental funds and includes the terms: nonspendable, restricted, committed, assigned, and unassigned. GASB Statement No. 54 was implemented in the current fiscal year. Details of the agency’s fund balance classifications and policies are reflected in Note ____.

The governmental fund types used by the Agency were evaluated based on the provisions of GASB Statement No. 54. _______ fund was determined to not meet the new fund type classification for special revenue funds. As a result, the fund was _______; therefore, a reclassification of $___ was made to reduce the beginning fund balance of _______ fund and increase the beginning fund balance of the General Fund. This change had no impact on governmental activities as reported on the prior year Statement of Activities.

Additional disclosure if formal action was or will be taken to change the recognition of revenues in certain funds:

In defining fund type classifications GASB Statement No. 54 clarified that specific revenue sources should be recognized in the special revenue fund where these revenues will be expended. In order to comply with this Statement, legislation was passed that requires all activity of the _____ fund to be reported with the ________ fund. As a result of this change, the beginning fund balance for the _____ fund is now combined and reported as part of the beginning fund balance of the ______ fund. This change had no impact on governmental activities as reported on the prior year Statement of Activities.

6) Disclose in the notes for each major special revenue fund the purpose of the fund and the revenues and other resources reported in the fund.

GENERAL OBSERVATIONS ON CLASSIFICATION OF FUND BALANCE AMOUNTS FOR THE STATE OF NEW MEXICO STATE AGENCIES

1. For agencies of the State of New Mexico, state statute or Appropriation Laws have authorized their governmental funds. In some instances, the same legislation also created a specific revenue stream to fund the activities in the authorized fund. The specific revenue stream would be restricted if the legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources from external resource providers and there is a legally enforceable requirement for those resources to be used for the specific activity stipulated in the legislation.

2. Legal enforceability means that a government can be compelled by an external party to use resources created by the enabling legislation only for the purpose specified in the legislation. The legal enforceability may be difficult to assess unless the legislation has been challenged in a court
of law; therefore, for the State’s proposes, all activities and revenue streams created by legislation are considered legally enforceable unless otherwise stated by legal opinion.

3. As for restrictions imposed by external parties, such as creditors, grantors, or other governments, these should be straightforward. Since most federal grants are on a reimbursement basis, the classification of fund balance should be non-existent. For any other resources, the classification would need to be determined based on any agreement, grant document, etc. For those agencies that receive federal revenues in their General Fund, those amounts not expended in the current year will normally be shown as deferred revenues.

4. For activities where the legislation does not specifically authorize the government to tax or charge external resource providers, then these resources are likely committed. What an agency may find is that legislation approves the government to assess an external resource provider; however, in a separate legislation, the agency’s activity is authorized and funded by allocating a portion of the existing resources inflows from the first legislation. Since the legislation authorizing the activity does not authorize for the assessment, taxation, or charge of a specific resource provider, then these resources would be classified as committed. For most agencies, we would expect that a significant amount of the revenue recognized would be committed and not restricted due to separate legislations for the authorization of the revenue and the activity/fund.

5. For the State of New Mexico, agencies are required to have an approved budget to operate. Each agency submits a proposed budget for approval. The final approval is with the Legislative and Executive (Governor) branches of government; therefore, this would be the State’s highest level of authority regarding committing inflow resources. Agencies have not been given specific authority to commit resources without budget approval. The constraint would need the same level of approval to be removed. The same would hold true if the inflow of resources is a revenue stream or existing fund balance. In addition, state agencies are not legally separate entities from the State; therefore, the highest level of authority is the Legislative and Executive (Governor) branches of government. This is evident with the following disclosure state agencies are required to include in their audited financial statements,

“A primary government is any state or general purpose local government consisting of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. The Department, therefore, is part of the primary government of the State of New Mexico and it financial data should be included in the financial data of the State.”

6. Since the highest level of authority is the Legislative and Executive (Governor) branches, state agencies should not have any amounts classified as assigned. Again, state agencies have not been given specific authority to commit or assign resources.

7. The Index to Revenue Sources of New Mexico issued by the Legislative Council Service would be a good starting point for researching the revenue sources authorized for your agency. From this information, an agency should be able to determine the legislation that authorized the revenue stream and the specific activity/program/fund. See Attachment 1.
8. For agencies of the State of New Mexico, current year state appropriation amounts, which have not been expended, must revert to the State General Fund. Therefore, there will be no discretionary amounts available for further limitation considerations.

9. Fund balance restrictions specific to encumbrances will no longer be reported. An encumbrance is not a purpose. If the existing resource that is to be used for the encumbrance is constrained, then the encumbrance has no impact on the fund balance. If the resource has not been constrained, then the encumbrance would be considered assigned; however, this is only true for the general fund since the other funds will not have a positive unassigned fund balance. For the State’s purposes, since any valid encumbrances are funded by restricted or committed resources, State agencies will still not have any assigned fund balance.

10. There is one exception for the use of the classification of assigned fund balance. An agency may be required to budget existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget; this amount would qualify as an assignment of fund balance. This amount cannot exceed the projected excess of expected expenditures over expected revenues. The amount of fund balance budgeted would be evidenced by any of the Budget Input Forms (OpBud 3, OpBud 4, CapBud).

11. For Debt Service Funds, fund balance amounts will be reported as restricted due to the existence of debt covenants.

12. For Capital Projects Funds, state statute or grantor restrictions will apply to these fund balance amounts, which will place them in the restricted or committed classifications.

13. Most agencies of the State of New Mexico will not report amounts in classifications other than Nonspendable, Restricted, and/or Committed; however, exceptions to this rule will occur, especially in the larger agencies with more complex fund structures.

**GOVERNMENTAL FUND TYPE DEFINITIONS**

1) Statement No. 54 also revised the definitions of the governmental fund types. For the capital projects and debt service fund types, this change in language was technical and should not affect current usage. For the special revenue fund type, however, this change will affect some funds.

2) Per Statement No. 54, the new definition states that special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for a specified purpose other than debt service or capital projects (Statement No. 54, P.30.) The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation of the special revenue fund.

3) For most state agency special revenue funds, this change may not have a significant impact. The reason is that for many years, the State Audit Rule has required that the legal authority for all special revenue funds must be disclosed in the header pages or in the notes to the financial statements. This rule has helped to limit the arbitrary creation of special revenue funds. The determining factor will be the “substantial portion” of the proceeds of specific revenue sources being reported in a special revenue fund.
4) Revenues that are restricted or committed should **continually** comprise a substantial portion of the inflows reported in a special revenue fund:

a) The order of magnitude of substantial portion is subjective.

b) Whether restricted or committed revenues continually comprise a substantial portion of inflows is based on expectations – not necessarily a quantitative calculation.

c) General Rule of thumb in industry right now is that any restricted or committed revenue comprising 30% to 40% is considered substantial; however, this is not a rule set by GASB.

d) Compare restricted or committed **revenues** to total inflows of the fund.

e) Transfers/Other Financing Sources that are restricted or committed should not be considered restricted or committed revenues, but should be considered part of the total inflows for purposes of “substantial portion” determination. These types of other financing sources are not revenue:

   i. Bond proceeds for capital outlay

   ii. Lottery fund transfers

f) Discontinue reporting a special revenue fund if the government no longer expects restricted or committed revenues to comprise a substantial portion of inflows.

g) With the foundation of restricted or committed revenues, other resources of revenues may also be reported in the fund if those resources are restricted, committed, or assigned for the same purpose.

h) Specific restricted or committed revenues initially received in another fund and subsequently distributed to a special revenue fund should be reported as revenue in the special revenue fund to qualify for the “substantial portion” assessment. Statement No. 54 and additional guidance are very specific that the restricted or committed resources must be recognized as **revenues** in the fund to qualify for the “substantial portion” determination. Therefore, transfers into a fund from a **fund which has already recognized these amounts as revenues would not qualify** as revenue sources for Special Revenue Fund definition purposes in the receiving fund. If this is the case with a particular fund, a decision must be made as to which fund will be recognizing the revenues.

i) If an agency thinks that a particular Special Revenue Fund may not qualify under the new definition, consultation should be held with the independent auditors and with the State Controller. Statutory language will, in all cases, govern. If there is no such statutory authority or other directives, resources from such a fund may have to be reported in the agency’s General Fund, in accordance with the Statement No. 54.

j) Reporting of restricted or committed revenue in a special revenue fund is generally not required under GAAP.
i. These revenues may be reported in a general fund or another governmental fund, as appropriate.

ii. If chosen to report in a special revenue fund, the restricted or committed revenues should make up a substantial portion of total inflows.

5) **Capital project funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

6) **Debt service funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of principal and interest.

**GENERAL OBSERVATIONS ON CLASSIFICATION OF FUNDS FOR THE STATE OF NEW MEXICO STATE AGENCIES**

1) Based on the redefined definition of special revenue funds, we expect the reporting of special revenue funds will decrease.

   a. The classification of capital project funds may go up, this will be especially true for any funds used for local governmental capital projects.

   b. If activities do not fit the definitions of the capital projects and debt service funds, then the activities will be reported in the General Fund.

2) It is important for agencies to ensure that only revenue sources are the determining factor in the “substantial portion” assessment.

   a. Appropriations are not revenue and should not be reported as such on the financial statements. These amounts should be categorized as Other Financing Sources.

**IMPLEMENTATION OF GASB NO. 54**

The following will guide agencies through the implementation process of GASB No. 54:

**IMPORTANT**

To help with the implementation of GASB No. 54, we strongly suggest that the agency apply GASB No. 54 to the balances as of June 30, 2010. By converting the fund balances at June 30, 2010, the agency will have a starting point to apply the Activity Statement Approach for the current year. In addition, the June 30, 2010 balances have been audited and represent a definable starting point.

**Classifying Fund Balance Components**

1) First, identify any nonspendable fund balance. For most state agencies, these balances will be any inventory and/or prepaids. Only the State’s permanent funds will have nonspendable fund balance as a result of a corpus or balances required to remain intact for the benefit of others.

2) Categorize spendable fund balance by using an activity statement approach.
3) For each purpose constraint in the fund:
   a) Determine the beginning balance of each fund balance component.
   
   i. An agency may determine that amounts do not meet the classifications of restricted, committed, or assigned; therefore, these amounts should be classified as unassigned and be reverted to the State General Fund.
   
   b) Categorize the inflows constrained for the purpose to the appropriate fund balance component.
   
   c) Determine any further constraints for the purpose on existing unassigned fund balance.
   
   d) Allocate expenditures to each fund balance component based on order of expenditure policies.
   
   e) Determine whether any reclassification is needed because of negative residual fund balance for a specific purpose.

**Steps to Categorizing Inflows and Constraints of Fund Balance**

1) Determine and document policies for commitments and assignments.

2) For taxes:
   a) Review state laws creating the tax to determine whether such law contained purpose constraints.
   
   b) Review other state laws or actions of the governing body to determine whether purpose constraints were created subsequent to the law authorizing the tax.
   
   c) Review whether there are policies related to the use of the tax that would qualify as assigned.

3) For grants and contributions:
   a) Review agreements to determine whether they contain purpose restrictions.
   
   b) For grants and contributions without external use constraints, review actions of the governing body and other policies to determine whether the resources are internally constrained.
   
   c) If restricted resources are spent first, reimbursement-based grants generally will not impact the fund balance.

4) For other revenues, review other actions of the governing body and policies to determine whether the use of the inflows are constrained.

5) For bond proceeds, identify the nature of restrictions on the resources.

6) For transfers, determine whether the transferred fund contains purpose constraints.
7) Review actions of the governing body and policies to determine whether there were any specific commitments or assignments of existing fund balance.

8) Determine whether there will be any other assignments of existing fund balance.

**Allocation of Expenditures**

1) Establish order of expenditure policy for situations in which multiple categories are available for expenditure.
   a) Whether restricted or unrestricted resources are used first
   b) Order of expenditure of unrestricted fund balance categories

2) When determining order of expenditure policies, consider:
   a) Operational and compliance impact
   b) Financial reporting impact
   c) Impact on process to determine fund balance categories

3) Order of expenditure policies can differ by fund.

4) Once policy is established, allocated the aggregated expenditures for the purpose/activity to the various resource categories (restricted, committed, assigned, unspendable, unassigned).
### Activity Statement Approach

#### Year End Fund Balance Analysis Example

**Ending Fund Balance as of June 30, xx**

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Total</th>
<th>Restricted</th>
<th>Committed</th>
<th>Assigned</th>
<th>Unassigned</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$5,696</td>
<td>$2,000</td>
<td>$2,616</td>
<td>$1,080</td>
<td>-</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>10,200</td>
<td>-</td>
<td>10,200</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program Fees</td>
<td>475</td>
<td>-</td>
<td>-</td>
<td>475</td>
<td>-</td>
</tr>
<tr>
<td>Boat Tax</td>
<td>1,600</td>
<td>1,600</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Additions</td>
<td>17,971</td>
<td>3,600</td>
<td>12,816</td>
<td>1,555</td>
<td>-</td>
</tr>
<tr>
<td>Expenditures Incurred</td>
<td>(19,929)</td>
<td>(3,600)</td>
<td>(12,816)</td>
<td>(1,555)</td>
<td>(1,958)</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>(1,958)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,958)</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>8,871</td>
<td>$8,871</td>
<td>-</td>
<td>$8,404</td>
<td>-</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>4,100</td>
<td>-</td>
<td>4,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program Fees</td>
<td>6,700</td>
<td>-</td>
<td>-</td>
<td>6,700</td>
<td>-</td>
</tr>
<tr>
<td>FAEA Grant</td>
<td>500</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Additions</td>
<td>20,171</td>
<td>9,371</td>
<td>4,100</td>
<td>6,700</td>
<td>-</td>
</tr>
<tr>
<td>Expenditures Incurred</td>
<td>(19,800)</td>
<td>(9,371)</td>
<td>(4,100)</td>
<td>(6,329)</td>
<td>-</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>371</td>
<td>-</td>
<td>-</td>
<td>371</td>
<td>-</td>
</tr>
<tr>
<td><strong>Library</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>8,040</td>
<td>-</td>
<td>-</td>
<td>8,040</td>
<td>-</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>4,100</td>
<td>-</td>
<td>4,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Program Fees</td>
<td>1,200</td>
<td>-</td>
<td>-</td>
<td>1,200</td>
<td>-</td>
</tr>
<tr>
<td>Commitment of Resources - Library</td>
<td>1,000</td>
<td>-</td>
<td>1,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Additions</td>
<td>14,340</td>
<td>-</td>
<td>5,100</td>
<td>9,240</td>
<td>-</td>
</tr>
<tr>
<td>Expenditures Incurred</td>
<td>(6,723)</td>
<td>-</td>
<td>(5,100)</td>
<td>(1,623)</td>
<td>-</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>7,617</td>
<td>-</td>
<td>-</td>
<td>7,617</td>
<td>-</td>
</tr>
<tr>
<td><strong>Unassigned Activity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>17,687</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$17,687</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>201,913</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>201,913</td>
</tr>
<tr>
<td>Expenditures Incurred</td>
<td>(188,772)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(188,772)</td>
</tr>
<tr>
<td>Allocation of Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment of Resources - Library</td>
<td>(1,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Assignment for Subsequent Year's Budget</td>
<td>-</td>
<td>-</td>
<td>2,000</td>
<td>-</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Allocation of Negative Residual from Social Services Purpose</td>
<td>(1,958)</td>
<td>-</td>
<td>-</td>
<td>(1,958)</td>
<td>-</td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>27,870</td>
<td>-</td>
<td>2,000</td>
<td>-</td>
<td>25,870</td>
</tr>
<tr>
<td>Total Ending Fund Balance</td>
<td>35,858</td>
<td>-</td>
<td>2,000</td>
<td>7,988</td>
<td>25,870</td>
</tr>
</tbody>
</table>

#### Recording Balances in SHARE

The chart of accounts will be changed to reflect the new fund balance categories. Agencies will be required to use only the approved fund balance accounts. All other accounts will be closed; therefore, each agency will be required to reclass all balances from the old fund balance account to the appropriate new fund balance category. If an agency is unsure where to record the amounts, the agency should move all balances to the unassigned account until further research can be done to determine the appropriate classification.
The agency will want to consider the use of the agency chartfields available in SHARE to track the specific purposes of each fund balance category.

**Fund Classification Determination**

1) Determine if you have restricted or committed revenue resources, these revenues will establish that one or more specific restricted or committed revenues is the foundation of the special revenue fund.

2) Determine if the restricted or committed revenues sources are substantial to the fund:
   a) Experts have indicated anything between 30% to 40% percent is significant.
   b) Other financing sources cannot be considered restricted or committed “revenues”; however, these inflows should be considered part of the “total” inflows for the substantial portion determination. Basically, other financing sources may not be included in the numerator but should be included in the denominator of the percentage calculation.
   c) Revenue recognized in one fund can’t be revenue in a other fund to qualify for the “substantial portion” determination. Therefore, transfers into a fund from a **fund which has already recognized these amounts as revenues would not qualify** as revenue sources for Special Revenue Fund definition purposes in the receiving fund.

3) If an agency thinks that a particular Special Revenue Fund may not qualify under the new definition, consultation should be held with the independent auditors and with the State Controller.

4) Reporting of restricted or committed revenue in a special revenue fund is generally not required under GAAP.

5) If a reclassification is necessary, contact the CAFR Unit as soon as you are aware of the change.
LEASED MOTOR VEHICLE GROSS RECEIPTS TAX AND SURCHARGE

DESCRIPTION

An excise tax and a surcharge are imposed for the privilege of engaging in the business of leasing motor vehicles (7-14A-3 and 7-14A-3.1).

BASE: Gross receipts from leasing motor vehicles without a driver for a period of not more than six months when the vehicle belongs to a fleet of five or more passenger cars owned by the same person (7-14A-2). Deductions are allowed for transactions in interstate commerce and vehicle trade-ins (7-14A-7 and 7-14A-8). An exemption is allowed for vehicles with titles issued before July 1, 1991 and with respect to which the motor vehicle excise tax was paid (7-14A-9).

RATE: The leased vehicle gross receipts tax is 5% (7-14A-3). The leased vehicle surcharge is $2 for each day the vehicle is leased.

PAYMENT DUE DATE: The twenty-fifth day of the month following the month in which the taxable event occurred (7-14A-6).

COLLECTED BY: The taxation and revenue department (7-14A-11).

DISPOSITION: Effective July 1, 1999, receipts are distributed as follows (7-14A-10):

- 1/4 to the local governments road fund; and
- 3/4 to the highway infrastructure fund (67-3-59.2).

Receipts from the leased vehicle surcharge go to the general fund (6-4-2).
ARTICLE 14A
Leased Vehicle Gross Receipts Tax

Section

7-14A-1 Short title.
7-14A-2 Definitions.
7-14A-3 Imposition and rate of tax; denomination as "leased vehicle gross receipts tax".
7-14A-3.1 Imposition and rate; leased vehicle surcharge.
7-14A-4 Presumption of taxability.
7-14A-5 Separately stating the leased vehicle gross receipts tax.
7-14A-6 Date payment due.
7-14A-7 Deduction; transactions in interstate commerce.
7-14A-8 Deduction; trade-in allowance.
7-14A-9 Exemption; vehicles titled before July 1, 1991.
7-14A-10 Distribution of proceeds.
7-14A-11 Administration.
7-14A-2. Definitions.

As used in the Leased Vehicle Gross Receipts Tax Act:

A. "department" means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the secretary;

B. "engaging in business" means carrying on or causing to be carried on the leasing of vehicles with the purpose of direct or indirect benefit;

C. "gross receipts" means the total amount of money or the value of other consideration received from leasing vehicles used in New Mexico, but excludes cash discounts allowed and taken, leased vehicle gross receipts tax payable on transactions for the reporting period, gross receipts tax payable pursuant to the Gross Receipts and Compensating Tax Act [7-9-1 NMSA 1978] on transactions for the reporting period and taxes imposed pursuant to the provisions of any local option gross receipts tax, as that term is defined in the Tax Administration Act [7-1-1 NMSA 1978], that is payable on transactions for the reporting period and any type of time-price differential. Also excluded from "gross receipts" are any gross receipts or sales taxes imposed by an Indian nation, tribe or pueblo, provided that the tax is approved, if approval is required by federal law or regulation, by the secretary of the interior of the United States, and provided further that the gross receipts or sales tax imposed by the Indian nation, tribe or pueblo provides a reciprocal exclusion for gross receipts, sales or gross receipts-based excise taxes imposed by the state or its political subdivisions. In an exchange in which the money or other consideration received does not represent the value of the lease of the vehicle, "gross receipts" means the reasonable value of the lease of the vehicle. When the leasing of vehicles is made under a leasing contract, the seller or lessor may elect to treat all receipts under those contracts as gross receipts as and when the payments are actually received. "Gross receipts" also includes amounts paid by members of any cooperative association or similar organization for the lease of vehicles by that organization;

D. "leasing" means any arrangement whereby, for a consideration, a vehicle without a driver furnished by the lessor or owner is employed for or by any person other than the owner of the vehicle for a period of not more than six months;

E. "person" means any individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate or other entity; and

F. "vehicle" means a passenger automobile designed to accommodate six or fewer adult human beings that is part of a fleet of five or more passenger automobiles owned by the same person.
7-14A-10. Distribution of proceeds.

At the end of each month, the net receipts attributable to the leased vehicle gross receipts tax and any associated penalties and interest shall be distributed as follows:

A. one-fourth to the local governments road fund; and

B. three-fourths to the highway infrastructure fund.
7-14A-11. Administration.

A. The department shall interpret the provisions of the Leased Vehicle Gross Receipts Tax Act.

B. The department shall administer and enforce the collection of the leased vehicle gross receipts tax and the leasee vehicle surcharge, and the Tax Administration Act applies to the administration and enforcement of the tax and the surcharge.
CHAPTER 67
Highways

Article
3. State Transportation Commission, 67-3-1 through 67-3-77.
4. County Highways in General, 67-4-1 through 67-4-24.
6. County Highways and Bridge Bonds, 67-6-1 through 67-6-7.
7. Obstructions and Injuries to Highways, 67-7-1 through 67-7-11.
16. Litter Control and Beautification, 67-16-1 through 67-16-14.
67-3-59.2. Highway infrastructure fund created; purpose.

A. The "highway infrastructure fund" is created in the state treasury and shall be administered by the department. The fund shall consist of money from various fees and taxes distributed to the fund. Earnings on investment of the fund shall be credited to the fund. Balances in the fund at the end of any fiscal year shall not revert and shall remain in the fund for the purposes authorized in this section.

B. Money in the fund shall be used solely for acquisition of rights of way or planning, design, engineering, construction or improvement of state highway projects authorized pursuant to the provisions of Laws 1998, Chapter 84, Subsections C through H of Section 1 of Chapter 85 of Laws 1998 and Sections 27 and 28 of this 2003 act [Laws 2003 (1st S.S.), ch. 3, §§ 27, 28] and is appropriated to the department for expenditure for those purposes.

C. The taxes and fees required by law to be distributed to the highway infrastructure fund may be pledged for the payment of state highway bonds issued pursuant to Sections 67-3-59.1 and 67-3-59.3 NMSA 1978 and Section 26 of this 2003 act [Section 67-3-59.4 NMSA 1978] for the highway projects authorized in the laws specified in Subsection B of this section.
任何被雇佣或受雇为游说者的人士须向州总督办公室登记。(2-11-3)。

**RATE:** 该游说者的年度登记费为每位员工25.00美元。

**COLLECTED BY:** 该费用由州总督办公室收取。

**DISPOSITION:** 收据存入一般基金(6-4-2)。
ARTICLE 11
Lobbyist Regulation

Section
2-11-1 Short title.
2-11-2 Definitions.
2-11-3 Registration statement to be filed; contents; modification to statement.
2-11-4 Recompiled.
2-11-5 Other powers and duties of attorney general not limited or restricted.
2-11-6 Expenditure report to be filed; contents; reporting periods.
2-11-7 Registration and expenditure statement; preservation as public record.
2-11-8 Contingent fees prohibited in lobbying the legislative branch of state government.
2-11-8.1 Restrictions on campaign activities and contributions.
2-11-8.2 Compliance with act; enforcement of act; binding arbitration; civil penalties.
2-11-9 Penalties.
2-11-3. Registration statement to be filed; contents; modification to statement.

A. In the month of January prior to each regular session or before any service covered by the Lobbyist Regulation Act [Chapter 2, Article 11 NMSA 1978] commences, any individual who is initially employed or retained as a lobbyist shall register with the secretary of state by paying an annual filing fee of twenty-five dollars ($25.00) for each of the lobbyist's employers and by filing a single registration statement under oath on a prescribed form showing:

(1) the lobbyist's full name, permanent business address and business address while lobbying; and
(2) the name and address of each of the lobbyist's employers.

B. No registration fee shall be required of individuals receiving only reimbursement of personal expenses and no other compensation or salary for lobbying. No expenditure statement required by Section 2-11-6 NMSA 1978 shall be required if the lobbyist anticipates making or incurring and makes or incurs no expenditures or political contributions under Section 2-11-6 NMSA 1978. The lobbyist shall indicate in his registration statement whether those circumstances apply to him.

C. For each employer listed in Paragraph (2) of Subsection A of this section, the lobbyist shall file the following information:

(1) a full disclosure of the sources of funds used for lobbying;
(2) a written statement from each of the lobbyist's employers authorizing him to lobby on the employer's behalf;
(3) a brief description of the matters in reference to which the service is to be rendered; and
(4) the name and address of the person, if other than the lobbyist or his employer, who will have custody of the accounts, bills, receipts, books, papers and documents required to be kept under the provisions of the Lobbyist Regulation Act.

D. For each succeeding year that an individual is employed or retained as a lobbyist by the same employer, and for whom all the information disclosed in the initial registration statement remains substantially the same, the lobbyist shall file a simple annual registration renewal in January and pay the twenty-five dollar ($25.00) filing fee for each of the lobbyist's employers together with a short, abbreviated prescribed form for renewal.

E. Whenever there is a modification of the facts required to be set forth by this section or there is a termination of the lobbyist's employment as a lobbyist before the end of the calendar year, the lobbyist shall notify the secretary of state within one month of such occurrence and shall furnish full information concerning the modification or termination. If the lobbyist's employment terminates at the end of a calendar year, no separate termination report need be filed.
ARTICLE 4
State Funds and Capital Programs

Section
6-4-1 Capital programs; preparation; duties.
6-4-2 General fund created.
  6-4-2.1 General fund operating reserve created; authorizing expenditures.
  6-4-2.2 General fund tax stabilization reserve.
  6-4-2.3 Appropriation contingency fund.
  6-4-2.4 Repealed.
  6-4-2.5 New Mexico recovery and reinvestment fund.
  6-4-3 State revenue-sharing trust fund created.
  6-4-4 Reservation of excess general fund revenues; appropriation to taxpayers dividend fund.
  6-4-5 Taxpayers dividend fund; created; purpose.
  6-4-6 Expenditures authorized to maintain cash flow.
  6-4-7 Computer systems enhancement fund; created.
  6-4-8 Repealed.
  6-4-9 Tobacco settlement permanent fund; investment; distribution.
  6-4-10 Tobacco settlement program fund created; purpose.
  6-4-11 Tobacco settlement distributions to state; transfer to tobacco settlement permanent fund.
  6-4-12 Definitions.
  6-4-13 Requirements. [Contingent repeal.]
  6-4-13.1 Severability.
  6-4-14 Short title.
  6-4-15 Findings and purpose.
  6-4-16 Definitions.
  6-4-17 Certification by tobacco product manufacturer.
  6-4-18 Directory of tobacco product manufacturers and cigarette brands.
  6-4-18.1 Bond requirements for newly qualified and elevated risk nonparticipating manufacturers.
  6-4-19 Maintenance of directory; notice.
  6-4-20 Agent for service of process.
  6-4-20.1 Joint and several liability.
  6-4-21 Reporting of information; escrow installments.
  6-4-22 Penalties and other remedies.
  6-4-23 General provisions.
  6-4-24 Construction of act.
  6-4-24.1 Attorney general authority; audit and investigation.
  6-4-24.2 Presumption.
  6-4-25 Gasoline and home heating relief fund; created.
6-4-2. [General fund created.]

There is created a fund to be known as the "general fund" to which the state treasurer shall credit all revenues no otherwise allocated by law. Expenditures from this fund shall be made only in accordance with appropriation authorized by the legislature.
BEEF COUNCIL ASSESSMENT

DESCRIPTION

"There is ... imposed upon all cattle ... in this state an assessment to be called the 'council assessment'."

RATE: The assessment is established by the New Mexico beef council at a rate of not more than $1.00 per head (77-2A-7.1).

COLLECTED BY: Funds are collected by the New Mexico livestock board.

DISPOSITION: Receipts are remitted to the New Mexico beef council (77-2A-7.1) and used directly by the council in payment of its lawful obligations (77-2A-8). Up to $.04 per head may be used to reimburse the board for necessary expenses (77-2A-7.1).

RECEIPTS
(thousands of dollars)

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Fiscal Year 2003</th>
<th>Fiscal Year 2004</th>
<th>Fiscal Year 2005</th>
<th>Fiscal Year 2006</th>
<th>Fiscal Year 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts</td>
<td>1,103.8</td>
<td>1,007.5</td>
<td>993.0</td>
<td>1,151.0</td>
<td>970.5</td>
</tr>
</tbody>
</table>

Source: New Mexico livestock board
ARTICLE 2A
Beef Council

Section
77-2A-1 Short title.
77-2A-2 Definitions.
77-2A-3 Beef council created; terms; vacancies.
77-2A-4 Members' qualifications.
77-2A-5 Officers; meetings; expenses.
77-2A-6 Duties; powers.
77-2A-7 Funding.
77-2A-7.1 Assessments.
77-2A-7.2 Repealed.
77-2A-7.3 Refunds.
77-2A-8 Disposition of funds.
77-2A-9 Procurement Code; Personnel Act; exemption; Tort Claims Act.

There is levied and imposed upon all cattle involved in a transfer of ownership in this state an assessment to be called the "council assessment". The council assessment is to be fixed by the council at a rate of not more than one dollar ($1.00) per head. The board shall collect this council assessment or the federal domestic assessment imposed pursuant to the Beef Promotion and Research Act of 1985 at the same time and in the same manner as the fee charged for the state brand inspection required upon the movement of those cattle. The board shall not deliver the certificate of inspection or permit the cattle to move until all fees have been paid. The proceeds of the council assessment shall be remitted by the board to the council at the end of each month, along with information that will allow the council to make necessary refunds. At the request of the board, the council shall reimburse the board for the responsible and necessary expenses incurred for such collections and information at not more than four cents ($0.04) per head on only those cattle involved in a transfer of ownership.

There is created the "New Mexico beef council", consisting of nine members appointed by the director with the approval of the governor for terms of three years or less so that the terms of three members expire on June 30 of each year. Vacancies shall be filled by the director for the unexpired term. The director shall serve as an ex-officio, nonvoting member of the council.
# MASSAGE THERAPIST AND BODYWORK LICENSE FEES

## DESCRIPTION

It is unlawful for any person to practice massage therapy for compensation, to use the title of massage therapist or to provide massage therapy training as a massage therapy training instructor without being licensed or registered under the Massage Therapy Practice Act (61-12C-5). The massage therapy board shall also establish by rule procedures for registration of massage therapy schools (61-12C-10). Certain exemptions apply.

### RATE:
The massage therapy board is required to establish "a schedule of reasonable fees" with no single fee to exceed $500 (61-12C-20).

The actual amounts imposed for fiscal year 2008 are:

<table>
<thead>
<tr>
<th>Massage Therapists</th>
<th>FY 2008 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial application fee</td>
<td>$75.00</td>
</tr>
<tr>
<td>Initial license fee</td>
<td>$5.00 per month</td>
</tr>
<tr>
<td>Examination fee</td>
<td>$10.00</td>
</tr>
<tr>
<td>Biennial renewal fee</td>
<td>$125</td>
</tr>
<tr>
<td>Fee for reactivation of an inactive</td>
<td>$150</td>
</tr>
<tr>
<td>Late renewal</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Massage Therapy School</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Application review</td>
<td>$400</td>
</tr>
<tr>
<td>Registration fee</td>
<td>$50.00</td>
</tr>
<tr>
<td>Annual renewal</td>
<td>$50.00</td>
</tr>
<tr>
<td>Late fee</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Massage Therapy Instructor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fee</td>
<td>$50.00</td>
</tr>
<tr>
<td>School based biannual renewal</td>
<td>$25.00</td>
</tr>
<tr>
<td>Independent biannual renewal</td>
<td>$75.00</td>
</tr>
<tr>
<td>Late fee</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Fees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary license</td>
<td>$25.00</td>
</tr>
<tr>
<td>Visiting instructor</td>
<td>$50.00</td>
</tr>
<tr>
<td>Paper list</td>
<td>$50.00</td>
</tr>
<tr>
<td>Electronic list</td>
<td>$75.00</td>
</tr>
</tbody>
</table>

### COLLECTED BY:
Fees are collected by the massage therapy board.

### DISPOSITION:
Receipts are paid into the massage therapy fund. Amounts in this fund are appropriated by the legislature solely for the purpose of implementing the provisions of the Massage Therapy Practice Act (61-12C-23).

133 November 2008
ARTICLE 12C
Massage Therapy Practice

Section
61-12C-1 Short title. (Repealed effective July 1, 2016.)
61-12C-2 Legislative purpose. (Repealed effective July 1, 2016.)
61-12C-3 Definitions. (Repealed effective July 1, 2016.)
61-12C-4 Repealed.
61-12C-5 License or registration required. (Repealed effective July 1, 2016.)
61-12C-5-1 Exemptions. (Repealed effective July 1, 2016.)
61-12C-6 Repealed.
61-12C-7 Board created; membership. (Repealed effective July 1, 2016.)
61-12C-8 Board powers. (Repealed effective July 1, 2016.)
61-12C-9 Requirements for licensure of massage therapists and registration of massage therapy
instructors. (Repealed effective July 1, 2016.)
61-12C-10 Requirements for registration of massage therapy schools. (Repealed effective July 1, 2016.)
61-12C-11 Display of license or registration. (Repealed effective July 1, 2016.)
61-12C-12 Assignability of license. (Repealed effective July 1, 2016.)
61-12C-13 Examinations. (Repealed effective July 1, 2016.)
61-12C-14 Temporary license. (Repealed effective July 1, 2016.)
61-12C-15 Repealed.
61-12C-16 Licensure by credentials. (Repealed effective July 1, 2016.)
61-12C-17 License or registration renewal; continuing education. (Repealed effective July 1, 2016.)
61-12C-18 Inactive status. (Repealed effective July 1, 2016.)
61-12C-19 Repealed.
61-12C-20 License fees. (Repealed effective July 1, 2016.)
61-12C-21 Advertising. (Repealed effective July 1, 2016.)
61-12C-22 Power of county or municipality to regulate massage. (Repealed effective July 1, 2016.)
61-12C-23 Fund created. (Repealed effective July 1, 2016.)
61-12C-24 Denial; suspension; revocation and reinstatement of licenses. (Repealed effective July 1, 2016.)
61-12C-25 Criminal offender's character evaluation. (Repealed effective July 1, 2016.)
61-12C-26 Protected actions. (Repealed effective July 1, 2016.)
61-12C-27 Offenses; criminal penalties. (Repealed effective July 1, 2016.)
61-12C-28 Termination of agency life; delayed repeal. (Repealed effective July 1, 2016.)

Legislation that creates the activity and the revenue stream.
61-12C-20. License fees. (Repealed effective July 1, 2016.)

The board shall establish by rule a schedule of reasonable fees for applications, examinations, licenses, registrations, inspections, renewals, penalties, reactivation and necessary administrative fees, but no single fee shall exceed five hundred dollars ($500). All fees collected shall be deposited in the massage therapy fund.
61-12C-23. Fund created. (Repealed effective July 1, 2016.)

There is created in the state treasury the "massage therapy fund". Money in the fund is appropriated to the board for the purpose of carrying out the provisions of the Massage Therapy Practice Act. All funds received or collected by the board or the department under the Massage Therapy Practice Act shall be deposited with the state treasurer, who shall place the money to the credit of the massage therapy fund. No balance in the fund at the end of any fiscal year shall revert to the general fund.