

New Mexico State Land Office

Patrick H. Lyons, Commissioner of Public Lands



LAND COMMISSIONER PATRICK LYONS URGES HOUSE TO SEND GOVERNOR A BILL TO CLEAN UP THE STATE INVESTMENT COUNCIL

SANTA FE – Land Commissioner Patrick Lyons today applauded the Senate for passing Senate Bill 18, which creates a more autonomous and less politically controlled State Investment Council, and urged the House of Representatives to follow suit and send it up to the governor’s desk.

Commissioner Lyons collaborated last year with Sen. Steven Neville (R-San Juan) on legislation that would have increased council membership from nine to 13 and removed the governor’s power to appoint members. That bill flew through the legislature, but was vetoed by the governor.

The primary responsibility of the State Investment Council is to administer and manage New Mexico's permanent trust funds: the Land Grant Permanent Fund, the Severance Tax Permanent Fund, the Tobacco Settlement Permanent Fund, and the Water Trust Permanent Fund.

The Land Grant Permanent Fund is entirely the product of revenues generated by the State Land Office. Royalty payments from oil, gas, and mineral production on trust lands, along with land sale proceeds are deposited into the fund. The State Investment Office has managed the Land Grant Permanent Fund since 1959. The State Investment Council, of which Commissioner Lyons is a member, invests the corpus of the fund in equity and bond markets.

“It is our sole objective to preserve the solvency of these funds that contribute billions of dollars to New Mexico communities, public schools, universities, and healthcare facilities. This legislation will ensure that the council remains impartial and investments are equitable,” Lyons said.

Commissioner Lyons led the effort to oust State Investment Officer Gary Bland, after it was revealed that investment decisions were made to benefit politically connected individuals and a third party agent close to the governor was paid millions of dollars for coaxing the State Investment Council to invest with certain private equity funds.

Lyons was the first council member to demand that the State Investment Office release subpoenas disclosing that Bland had been ordered to testify about his role in the public investment fund scandal. The subpoenas were ultimately released.

-MORE-

He has also voiced concern over a funding request for \$6 million to cover legal expenses associated with the ongoing investment scandal.

“Pay-to-play is rampant in this governor’s administration and has helped put the state in the financial mess we’re in,” Lyons said. “The \$23 million paid to politically connected agents should have instead gone to New Mexico’s school children.”

Commissioner Lyons and the State Land Office manage nine million acres of surface estate and 13 million mineral acres held in trust primarily for public education. Revenues earned from energy production, farming and ranching, and community and business development on trust lands support public schools, seven universities, the New Mexico Military Institute, the New Mexico School for the Deaf, the New Mexico School for the Blind and Visually Impaired, three hospitals, correctional facilities, public building construction and repair, and water conservation projects.

###