

1 SENATE JOINT RESOLUTION 3

2 **51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

3 INTRODUCED BY

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10 A JOINT RESOLUTION

11 PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
12 CONSTITUTION OF NEW MEXICO TO ESTABLISH A MINIMUM BALANCE OF
13 THE LAND GRANT PERMANENT FUND TO BE MAINTAINED BEFORE ANY
14 ADDITIONAL DISTRIBUTIONS ARE PERMITTED; TO EXTEND THE CURRENT
15 ONE-HALF PERCENT ADDITIONAL ANNUAL DISTRIBUTION BEYOND FISCAL
16 YEAR 2016; AND TO PROVIDE AN ADDITIONAL ANNUAL DISTRIBUTION
17 FROM THE PERMANENT SCHOOL FUND, STARTING IN FISCAL YEAR 2016,
18 FOR EARLY CHILDHOOD EDUCATION SERVICES ADMINISTERED BY THE
19 STATE FOR THE BENEFIT OF CHILDREN BEFORE THEY ARE ELIGIBLE TO
20 ATTEND KINDERGARTEN.

21
22 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

23 SECTION 1. It is proposed to amend Article 12, Section 7
24 of the constitution of New Mexico to read:

25 "A. As used in this section, "fund" means the

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1 permanent school fund described in Article 12, Section 2 of
2 this [~~article~~] constitution and all other permanent funds
3 derived from lands granted or confirmed to the state by the act
4 of congress of June 20, 1910, entitled "An act to enable the
5 people of New Mexico to form a constitution and state
6 government and be admitted into the union on an equal footing
7 with the original states."

8 B. The fund shall be invested by the state
9 investment officer in accordance with policy regulations
10 promulgated by the state investment council.

11 C. In making investments, the state investment
12 officer, under the supervision of the state investment council,
13 shall exercise the judgment and care under the circumstances
14 then prevailing that [~~businessmen~~] businesspersons of ordinary
15 prudence, discretion and intelligence exercise in the
16 management of their own affairs not in regard to speculation
17 but in regard to the permanent disposition of their funds,
18 considering the probable income as well as the probable safety
19 of their capital.

20 D. The legislature may establish criteria for
21 investing the fund if the criteria are enacted by a
22 three-fourths' vote of the members elected to each house, but
23 investment of the fund is subject to the following
24 restrictions:

25 (1) not more than sixty-five percent of the

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1 book value of the fund shall be invested at any given time in
2 corporate stocks;

3 (2) not more than ten percent of the voting
4 stock of a corporation shall be held;

5 (3) stocks eligible for purchase shall be
6 restricted to those stocks of businesses listed upon a national
7 stock exchange or included in a nationally recognized list of
8 stocks; and

9 (4) not more than fifteen percent of the book
10 value of the fund may be invested in international securities
11 at any single time.

12 E. All additions to the fund and all earnings,
13 including interest, dividends and capital gains from investment
14 of the fund, shall be credited to the fund.

15 F. Except as provided in Subsection G of this
16 section, the annual distributions from the fund shall be five
17 percent of the average of the year-end market values of the
18 fund for the immediately preceding five calendar years.

19 G. In addition to the annual distribution made
20 pursuant to Subsection F of this section, unless suspended
21 pursuant to Subsection H of this section, ~~[an]~~ additional
22 annual ~~[distribution]~~ distributions shall be made pursuant to
23 the following schedule; provided that no distribution shall be
24 made pursuant to the provisions of this subsection in any
25 fiscal year if the average of the year-end market values of the

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1 fund for the immediately preceding five calendar years is less
2 than [~~five billion eight hundred million dollars~~
3 ~~(\$5,800,000,000)~~ eight billion dollars (\$8,000,000,000):

4 (1) in fiscal years 2005 through 2012, an
5 amount equal to eight-tenths percent of the average of the
6 year-end market values of the fund, as defined in Subsection A
7 of this section, for the immediately preceding five calendar
8 years; provided that the amount of any additional distribution
9 derived from the permanent school fund pursuant to this
10 paragraph shall be used to implement and maintain educational
11 [~~reforms~~] programs as provided by law; [~~and~~]

12 (2) in fiscal years 2013 through 2016 and each
13 subsequent fiscal year, an amount equal to one-half percent of
14 the average of the year-end market values of the fund, as
15 defined in Subsection A of this section, for the immediately
16 preceding five calendar years; provided that the amount of any
17 additional distribution derived from the permanent school fund
18 pursuant to this paragraph shall be used to implement and
19 maintain educational [~~reforms~~] programs as provided by law; and

20 (3) in fiscal year 2016 and each subsequent
21 fiscal year, an amount equal to one and one-half percent of the
22 average of the year-end market values of the fund, as defined
23 in Subsection A of this section, for the immediately preceding
24 five calendar years; provided that:

25 (a) in fiscal year 2016, one-third of

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1 the amount of the additional distribution derived from the
2 permanent school fund shall be used for early childhood
3 education services administered by the state for the benefit of
4 children before they are eligible to attend kindergarten, as
5 provided by law;

6 (b) in fiscal year 2017, two-thirds of
7 the amount of the additional distribution derived from the
8 permanent school fund shall be used for early childhood
9 education services administered by the state for the benefit of
10 children before they are eligible to attend kindergarten, as
11 provided by law; and

12 (c) in fiscal year 2018 and each
13 subsequent fiscal year, the entire amount of the additional
14 distribution derived from the permanent school fund shall be
15 used for early childhood education services administered by the
16 state for the benefit of children before they are eligible to
17 attend kindergarten, as provided by law.

18 H. The legislature, by a three-fifths' vote of the
19 members elected to each house, may suspend any additional
20 distribution provided for in Subsection G of this section."

21 SECTION 2. The amendment proposed by this resolution
22 shall be submitted to the people for their approval or
23 rejection at the next general election or at any special
24 election prior to that date that may be called for that
25 purpose.

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