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SENATE JOINT RESOLUTION 6

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Cynthia Nava

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

A JOINT RESOLUTION

PROPOSING TO AMEND THE CONSTITUTION OF NEW MEXICO TO PROVIDE MORE MONEY FOR PUBLIC SCHOOLS AND OTHER PERMANENT FUND RECIPIENTS BY INCREASING THE DISTRIBUTION FROM THE PERMANENT FUNDS.

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

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

"A. As used in this section, "fund" means the permanent school fund described in Section 2 of this article and all other permanent funds derived from lands granted or confirmed to the state by the act of congress of June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and state government and be admitted into the union on an equal footing with the original states.".

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- B. The fund shall be invested by the state investment officer in accordance with policy regulations promulgated by the state investment council.
- C. In making investments, the state investment officer, under the supervision of the state investment council, shall exercise the judgment and care under the circumstances then prevailing that businessmen of ordinary prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.
- D. The legislature may establish criteria for investing the fund if the criteria are enacted by a three-fourths' vote of the members elected to each house, but investment of the fund is subject to the following restrictions:
- (1) not more than sixty-five percent of the book value of the fund shall be invested at any given time in corporate stocks;
- (2) not more than ten percent of the voting stock of a corporation shall be held;
- (3) stocks eligible for purchase shall be restricted to those stocks of businesses listed upon a national stock exchange or included in a nationally recognized list of stocks; and

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- (4) not more than fifteen percent of the book value of the fund may be invested in international securities at any single time.
- E. All additions to the fund and all earnings, including interest, dividends and capital gains from investment of the fund shall be credited to the fund.
- F. The annual distributions from the fund shall be [one hundred two percent of the amount distributed in the immediately preceding fiscal year until the annual distributions equal four and seven-tenths percent of the average of the year-end market values of the fund for the immediately preceding five calendar years. Thereafter, the amount of the annual distributions shall be four and seven-tenths] five and one-half percent of the average of the year-end market values of the fund for the immediately preceding five calendar years."

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

Section 3. The amendment proposed in this resolution shall not become effective without the consent of the United States congress.