SENATE JOINT RESOLUTION 2

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

Michael Padilla

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
CONSTITUTION OF NEW MEXICO, SUBJECT TO THE APPROVAL OF
CONGRESS, TO PROVIDE FOR AN ADDITIONAL ANNUAL DISTRIBUTION OF
ONE AND ONE-HALF PERCENT OF THE PERMANENT FUNDS, OF WHICH THE
AMOUNT DISTRIBUTED FROM THE PERMANENT SCHOOL FUND SHALL BE USED
FOR EARLY CHILDHOOD EDUCATION SERVICES, AS PROVIDED BY LAW.

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 Article 12, Section 2 of
this constitution 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
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Mexico to form a constitution and state government and be
admitted into the union on an equal footing with the original
states.".

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 invest and manage the fund in accordance with the Uniform
Prudent Investor Act.

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; and

(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.

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

G. [In addition to the annual distribution made pursuant to Subsection F of this section, unless suspended pursuant to Subsection H of this section, an additional annual distribution shall be made pursuant to the following schedule, provided that no distribution shall be made pursuant to the provisions of this subsection in any fiscal year] If the average of the year-end market values of the fund for the immediately preceding five calendar years is [less than] at least ten billion dollars ($10,000,000,000),

   [(1) in fiscal years 2005 through 2012, an amount equal to eight-tenths percent of the average of the year-end market values of the fund for the immediately preceding five calendar years, provided that any additional distribution from the permanent school fund pursuant to this paragraph shall be used to implement and maintain educational reforms as provided by law; and

   (2) in fiscal years 2013 through 2016 an amount equal to one-half percent of the average of the year-end market values of the fund for the immediately preceding five...].202521.7
calendar years; provided that any additional distribution from the permanent school fund pursuant to this paragraph shall be used to implement and maintain educational reforms as provided by law] an additional annual distribution of one and one-half percent of the average of the year-end market values of the fund for the immediately preceding five calendar years shall be made, unless suspended pursuant to Subsection I of this section. The amount of the additional distribution pursuant to this subsection from the permanent school fund shall be used for early childhood education services administered by the state, as provided by law.

H. As used in this section, "early childhood education services" means nonsectarian services provided, for the benefit of children not yet eligible for kindergarten, through a school district; an Indian nation, tribe or pueblo; the New Mexico school for the blind and visually impaired; or the New Mexico school for the deaf.

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

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 by Section 1 of this resolution shall not become effective without the consent of the United States congress.

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