

1 SENATE JOINT RESOLUTION 3

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017**

3 INTRODUCED BY

4 Michael Padilla

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10 A JOINT RESOLUTION

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

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

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

21 "A. As used in this section, "fund" means the
22 permanent school fund described in Article 12, Section 2 of
23 this constitution and all other permanent funds derived from
24 lands granted or confirmed to the state by the act of congress
25 of June 20, 1910, entitled "An act to enable the people of New

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1 Mexico to form a constitution and state government and be
2 admitted into the union on an equal footing with the original
3 states.".

4 B. The fund shall be invested by the state
5 investment officer in accordance with policy regulations
6 promulgated by the state investment council.

7 C. In making investments, the state investment
8 officer, under the supervision of the state investment council,
9 shall invest and manage the fund in accordance with the Uniform
10 Prudent Investor Act.

11 D. The legislature may establish criteria for
12 investing the fund if the criteria are enacted by a three-
13 fourths' vote of the members elected to each house, but
14 investment of the fund is subject to the following
15 restrictions:

16 (1) not more than sixty-five percent of the
17 book value of the fund shall be invested at any given time in
18 corporate stocks;

19 (2) not more than ten percent of the voting
20 stock of a corporation shall be held; and

21 (3) stocks eligible for purchase shall be
22 restricted to those stocks of businesses listed upon a national
23 stock exchange or included in a nationally recognized list of
24 stocks.

25 E. All additions to the fund and all earnings,

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1 including interest, dividends and capital gains from investment
2 of the fund shall be credited to the fund.

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

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

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

23 [~~(2) in fiscal years 2013 through 2016 an~~
24 ~~amount equal to one-half percent of the average of the year-end~~
25 ~~market values of the fund for the immediately preceding five~~

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1 ~~calendar years; provided that any additional distribution from~~
2 ~~the permanent school fund pursuant to this paragraph shall be~~
3 ~~used to implement and maintain educational reforms as provided~~
4 ~~by law] an additional annual distribution of one and one-half~~
5 ~~percent of the average of the year-end market values of the~~
6 ~~fund for the immediately preceding five calendar years shall be~~
7 ~~made, unless suspended pursuant to Subsection I of this~~
8 ~~section. The amount of the additional distribution pursuant to~~
9 ~~this subsection from the permanent school fund shall be used~~
10 ~~for early childhood education services administered by the~~
11 ~~state, as provided by law.~~

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

18 ~~[H.]~~ I. The legislature, by a three-fifths' vote of
19 the 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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SECTION 3. The amendment proposed by Section 1 of this resolution shall not become effective without the consent of the United States congress.