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HOUSE JOINT RESOLUTION 1  
**53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

INTRODUCED BY  
Antonio "Moe" Maestas and Javier Martínez  
and Stephanie Garcia Richard

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 ADDITIONAL ANNUAL DISTRIBUTIONS OF THE  
PERMANENT FUNDS, INCLUDING DISTRIBUTIONS FROM THE PERMANENT  
SCHOOL FUND IN FISCAL YEARS 2020 AND 2021 FOR PUBLIC SCHOOL  
EDUCATIONAL PROGRAMS AND EARLY CHILDHOOD EDUCATIONAL SERVICES  
AND IN SUBSEQUENT FISCAL YEARS FOR EARLY CHILDHOOD EDUCATIONAL  
SERVICES.

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

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1 lands granted or confirmed to the state by the act of congress  
2 of June 20, 1910, entitled "An act to enable the people of New  
3 Mexico to form a constitution and state government and be  
4 admitted into the union on an equal footing with the original  
5 states.".

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

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

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

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

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

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

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1 stocks.

2 E. All additions to the fund and all earnings,  
3 including interest, dividends and capital gains from investment  
4 of the fund shall be credited to the fund.

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

9 G. In addition to the annual distribution made  
10 pursuant to Subsection F of this section, unless suspended  
11 pursuant to Subsection [H] I of this section, an additional  
12 annual distribution shall be made [~~pursuant to the following~~  
13 ~~schedule~~] as provided in this subsection; provided that no  
14 additional distribution shall be made pursuant to the  
15 provisions of this subsection in any fiscal year if the average  
16 of the year-end market values of the fund for the immediately  
17 preceding five calendar years is less than ten billion dollars  
18 (\$10,000,000,000).

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

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1                   ~~(2) in fiscal years 2013 through 2016 an~~  
2 ~~amount equal to one-half percent of the average of the year-end~~  
3 ~~market values of the fund for the immediately preceding five~~  
4 ~~calendar years; provided that any additional distribution from~~  
5 ~~the permanent school fund pursuant to this paragraph shall be~~  
6 ~~used to implement and maintain educational reforms as provided~~  
7 ~~by law]~~ Additional annual distributions shall be made as  
8 follows, unless suspended pursuant to this subsection or  
9 Subsection I of this section:

10                   (1) in fiscal year 2020, one percent of the  
11 year-end market values of the fund for the immediately  
12 preceding five calendar years; provided that the amount of the  
13 additional distribution from the permanent school fund shall be  
14 divided as follows:

15                                 (a) seven-tenths of the distribution for  
16 the implementation and maintenance of educational programs  
17 administered by the state, as provided by law; and

18                                 (b) three-tenths of the distribution for  
19 early childhood educational services administered by the state,  
20 as provided by law;

21                   (2) in fiscal year 2021, one percent of the  
22 year-end market values of the fund for the immediately  
23 preceding five calendar years; provided that the amount of the  
24 additional distribution from the permanent school fund shall be  
25 divided as follows:

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1                   (a) three-tenths of the distribution for  
2 the implementation and maintenance of educational programs  
3 administered by the state, as provided by law; and

4                   (b) seven-tenths of the distribution for  
5 early childhood educational services administered by the state,  
6 as provided by law; and

7                   (3) in fiscal year 2022 and each subsequent  
8 fiscal year, one percent of the year-end market values of the  
9 fund for the immediately preceding five calendar years;  
10 provided that the amount of the additional distribution from  
11 the permanent school fund shall be used for early childhood  
12 educational services administered by the state, as provided by  
13 law.

14                   H. As used in this section, "early childhood  
15 educational services" means nonsectarian and nondenominational  
16 services for children until they are eligible for kindergarten.  
17 Such services may be provided by a school district or an entity  
18 of an Indian nation, tribe or pueblo.

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

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

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purpose.

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