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SENATE JOINT RESOLUTION 15

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

George K. Munoz

A JOINT RESOLUTION

PROPOSING TO AMEND ARTICLE 12 OF THE CONSTITUTION OF NEW MEXICO TO NAME THE FUNDS DESCRIBED IN THAT SECTION THE "LAND GRANT PERMANENT FUND", TO CREATE A STATE TRUST BENEFICIARY RESERVE FUND, TO TRANSFER MONEY IN THE LAND GRANT PERMANENT FUND IN EXCESS OF FIFTEEN BILLION DOLLARS (\$15,000,000,000) TO THE STATE TRUST BENEFICIARY RESERVE FUND FOR TWO YEARS AND TO ALLOW FOR THE APPROPRIATION OF MONEY FROM THAT FUND TO THE BENEFICIARIES OF THE LAND GRANT PERMANENT FUND FOR TEN YEARS.

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, "land grant permanent fund" means the permanent school fund described in Article 12, Section 2 of this constitution and all other permanent funds

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

6 B. The land grant permanent fund shall be invested
7 by the state investment officer in accordance with policy
8 regulations 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 land grant permanent fund in
12 accordance with the Uniform Prudent Investor Act.

13 D. The legislature may establish criteria for
14 investing the land grant permanent fund if the criteria are
15 enacted by a three-fourths' vote of the members elected to each
16 house, but 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 land grant permanent fund
3 and all earnings, including interest, dividends and capital
4 gains from investment of the fund shall be credited to the
5 fund.

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

11 ~~[G.— In addition to the annual distribution made~~
12 ~~pursuant to Subsection F of this section, unless suspended~~
13 ~~pursuant to Subsection H of this section, an additional annual~~
14 ~~distribution shall be made pursuant to the following schedule;~~
15 ~~provided that no distribution shall be made pursuant to the~~
16 ~~provisions of this subsection in any fiscal year if the average~~
17 ~~of the year-end market values of the fund for the immediately~~
18 ~~preceding five calendar years is less than ten billion dollars~~
19 ~~(\$10,000,000,000):~~

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

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1 ~~reforms as provided by law; and~~

2 ~~(2) in fiscal years 2013 through 2016, an~~
3 ~~amount equal to one-half percent of the average of the year-end~~
4 ~~market values of the fund for the immediately preceding five~~
5 ~~calendar years; provided that any additional distribution from~~
6 ~~the permanent school fund pursuant to this paragraph shall be~~
7 ~~used to implement and maintain educational reforms as provided~~
8 ~~by law.~~

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

12 G. In addition to the annual distributions provided
13 for in Subsection F of this section, from January 1, 2019
14 through December 31, 2020, money in the land grant permanent
15 fund in excess of fifteen billion dollars (\$15,000,000,000)
16 shall be transferred to the "state trust beneficiary reserve
17 fund", which is created in the state treasury. All additions
18 to the fund and all earnings, including interest, dividends and
19 capital gains, from investment of the fund shall be credited to
20 the fund. The legislature may appropriate money from the fund
21 to the beneficiaries of the land grant permanent fund for
22 fiscal years 2020 through 2029, and any unexpended balance
23 remaining at the end of fiscal year 2029 shall revert to the
24 land grant permanent fund."

25 SECTION 2. The amendment proposed by this resolution

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1 shall be submitted to the people for their approval or
2 rejection at the next general election or at any special
3 election prior to that date that may be called for that
4 purpose.

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