SENATE JOINT RESOLUTION 1

55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

Peter Wirth

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
CONSTITUTION OF NEW MEXICO TO PROVIDE A NEW ANNUAL DISTRIBUTION
OF THE PERMANENT SCHOOL FUND OF THE LAND GRANT PERMANENT FUNDS
FOR TEACHER SALARIES AND INSTRUCTION PURPOSES.

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]:

(1) "Enabling Act" means 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...";

(2) "Ferguson Act" means the act of congress
of June 21, 1898, entitled "An Act To make certain grants of land to the Territory of New Mexico, and for other purposes"; and

(3) "land grant permanent funds" 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 Mexico to form a constitution and state government and be admitted into the Union on an equal footing with the original States..."] Enabling Act and the Ferguson Act.

B. The [fund] land grant permanent funds 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] land grant permanent funds in accordance with the Uniform Prudent Investor Act.

D. The legislature may establish criteria for investing the [fund] land grant permanent funds if the criteria are enacted by a three-fourths' vote of the members elected to each house, but investment of the [fund] land grant permanent funds is subject to the following restrictions:

   (1) not more than sixty-five percent of the book value of the [fund] land grant permanent funds 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] land grant permanent
funds and all earnings, including interest, dividends and
capital gains from investment of the fund, shall be credited to
the [fund] land grant permanent funds.

F. [Except as provided in Subsection C of this
section, the] Annual distributions from the [fund] land grant
permanent funds to the beneficiaries specified in the Enabling
Act and the Ferguson Act shall be five percent of the average
of the year-end market values of the [fund] land grant
permanent funds 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 of one percent of the average of the year-
end market values of the permanent school fund for the
immediately preceding five calendar years shall be made
[pursuant to the following schedule] to the beneficiaries of
the permanent school fund for teacher salaries and instruction purposes, as provided by law; 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] land grant permanent funds for the immediately preceding five calendar years is less than 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 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] seventeen billion dollars ($17,000,000,000).

H. 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.

- 5 -