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SENATE JOINT RESOLUTION 5

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,
2000**

INTRODUCED BY
Patrick H. Lyons

FOR THE WATER AND NATURAL RESOURCES COMMITTEE
AND THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

A JOINT RESOLUTION
PROPOSING TO AMEND ARTICLE 8, SECTION 10 OF THE CONSTITUTION
OF NEW MEXICO TO MAKE AN ADDITIONAL ANNUAL DISTRIBUTION FROM
THE SEVERANCE TAX PERMANENT FUND AND TO DEPOSIT THE MONEY
INTO A WATER PROJECTS FUND FOR APPROPRIATION BY THE
LEGISLATURE FOR STATEWIDE WATER PROJECTS.

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

Section 1. It is proposed to amend Article 8, Section
10 of the constitution of New Mexico to read:

"A. There shall be deposited in a permanent trust
fund known as the "severance tax permanent fund" that part of
state revenue derived from excise taxes that have been or
shall be designated severance taxes imposed upon the
severance of natural resources within this state, in excess
of that amount that has been or shall be reserved by statute
for the payment of principal and interest on outstanding

underscored material = new
[bracketed material] = delete

1 bonds to which severance tax revenue has been or shall be
2 pledged. Money in the severance tax permanent fund shall be
3 invested as provided by law. The distributions from the fund
4 authorized in Subsection C of this section shall be
5 appropriated by the legislature as other general operating
6 revenue is appropriated for the benefit of the people of the
7 state.

8 B. All additions to the fund and all earnings,
9 including interest, dividends and capital gains from
10 investment of the fund shall be credited to the corpus of the
11 fund.

12 C. Except as provided in Subsection D of this
13 section, the annual distributions from the fund shall be one
14 hundred two percent of the amount distributed in the
15 immediately preceding fiscal year until the annual
16 distributions equal four and seven-tenths percent of the
17 average of the year-end market values of the fund for the
18 immediately preceding five calendar years. Thereafter, the
19 amount of the annual distributions shall be four and seven-
20 tenths percent of the average of the year-end market values
21 of the fund for the immediately preceding five calendar
22 years.

23 D. Beginning with fiscal year 2002, in addition to
24 the distributions authorized in Subsection C of this section,
25 an annual distribution shall be made to a fund to be known as
the "water projects fund" in an amount equal to three-tenths
of one percent of the average of the year-end market values

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~~[bracketed material] = delete~~

1 of the severance tax permanent fund for the immediately
2 preceding five calendar years. Money in the water projects
3 fund shall be appropriated by the legislature only for
4 development and construction of capital improvements for
5 water storage, treatment or delivery facilities.

6 [D-] E. The frequency and the time of the
7 distributions made pursuant to this section shall be as
8 provided by law."

9 Section 2. The amendment proposed by this resolution
10 shall be submitted to the people for their approval or
11 rejection at the next general election or at any special
12 election prior to that date which may be called for that
13 purpose.