

HOUSE VOTERS AND ELECTIONS COMMITTEE SUBSTITUTE FOR  
HOUSE JOINT RESOLUTION 8

**48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008**

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE  
CONSTITUTION OF NEW MEXICO TO INCREASE THE DISTRIBUTIONS FROM  
THE LAND GRANT PERMANENT FUNDS TO BENEFIT THE PUBLIC SCHOOLS  
AND SECURE EDUCATIONAL REFORMS AND FUNDING FOR PUBLIC EDUCATION  
AND TO BENEFIT OTHER RECIPIENTS.

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 article 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

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1 admitted into the union on an equal footing with the original  
2 states".

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

6 C. In making investments, the state investment  
7 officer, under the supervision of the state investment council,  
8 shall exercise the judgment and care under the circumstances  
9 then prevailing that [~~businessmen~~] businesspersons of ordinary  
10 prudence, discretion and intelligence exercise in the  
11 management of their own affairs not in regard to speculation  
12 but in regard to the permanent disposition of their funds,  
13 considering the probable income as well as the probable safety  
14 of their capital.

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

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

23 (2) not more than ten percent of the voting  
24 stock of a corporation shall be held;

25 (3) stocks eligible for purchase shall be

1 restricted to those stocks of businesses listed upon a national  
2 stock exchange or included in a nationally recognized list of  
3 stocks; and

4 (4) not more than fifteen percent of the book  
5 value of the fund may be invested in international securities  
6 at any single time.

7 E. All additions to the fund and all earnings,  
8 including interest, dividends and capital gains from investment  
9 of the fund shall be credited to the fund.

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

14 G. In addition to the annual distribution made  
15 pursuant to Subsection F of this section, unless suspended  
16 pursuant to Subsection H of this section, an additional annual  
17 distribution shall be made [~~pursuant to the following schedule~~]  
18 in fiscal years 2009 through 2019 in an amount equal to one and  
19 one-half percent of the average of the year-end market values  
20 of the fund for the immediately preceding five calendar years;  
21 provided that no distribution shall be made pursuant to the  
22 provisions of this subsection in any fiscal year if the average  
23 of the year-end market values of the fund for the immediately  
24 preceding five calendar years is less than five billion eight  
25 hundred million dollars (\$5,800,000,000).

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

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

15                  H. The legislature, by a three-fifths' vote of the  
16                  members elected to each house, may suspend any additional  
17                  distribution provided for in Subsection G of this section.

18                  I. The distribution from the permanent school fund  
19                  for aid to public schools shall be used to supplement the  
20                  state's efforts to provide a sufficient education pursuant to  
21                  Article 12, Section 1 of this constitution."

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

1 purpose.

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