

1 SENATE JOINT RESOLUTION 3

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

3 INTRODUCED BY

4 Michael Padilla

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10 A JOINT RESOLUTION

11 PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
12 CONSTITUTION OF NEW MEXICO TO INCREASE THE AMOUNT OF THE ANNUAL
13 DISTRIBUTIONS FROM THE PERMANENT FUNDS.

14
15 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. It is proposed to amend Article 12, Section 7
17 of the constitution of New Mexico to read:

18 "A. As used in this section, "fund" means the
19 permanent school fund described in Article 12, Section 2 of
20 this constitution and all other permanent funds derived from
21 lands granted or confirmed to the state by the act of congress
22 of June 20, 1910, entitled "An act to enable the people of New
23 Mexico to form a constitution and state government and be
24 admitted into the union on an equal footing with the original
25 states.".

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underscoring material = new
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1 B. The fund shall be invested by the state
2 investment officer in accordance with policy regulations
3 promulgated by the state investment council.

4 C. In making investments, the state investment
5 officer, under the supervision of the state investment council,
6 shall invest and manage the fund in accordance with the Uniform
7 Prudent Investor Act.

8 D. The legislature may establish criteria for
9 investing the fund if the criteria are enacted by a three-
10 fourths' vote of the members elected to each house, but
11 investment of the fund is subject to the following
12 restrictions:

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

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

18 (3) stocks eligible for purchase shall be
19 restricted to those stocks of businesses listed upon a national
20 stock exchange or included in a nationally recognized list of
21 stocks.

22 E. All additions to the fund and all earnings,
23 including interest, dividends and capital gains from investment
24 of the fund shall be credited to the fund.

25 F. ~~[Except as provided in Subsection G of this~~

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1 ~~section]~~ The annual distributions from the fund shall be five
2 and eight-tenths percent of the average of the year-end market
3 values of the fund for the immediately preceding five calendar
4 years.

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

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

21 ~~(2) in fiscal years 2013 through 2016, an~~
22 ~~amount equal to one-half percent of the average of the year-end~~
23 ~~market values of the fund for the immediately preceding five~~
24 ~~calendar years; provided that any additional distribution from~~
25 ~~the permanent school fund pursuant to this paragraph shall be~~

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underscoring material = new
~~[bracketed material] = delete~~

1 ~~used to implement and maintain educational reforms as provided~~
2 ~~by law.~~

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

6 SECTION 2. The amendment proposed by this resolution
7 shall be submitted to the people for their approval or
8 rejection at the next general election or at any special
9 election prior to that date that may be called for that
10 purpose.