

1 HOUSE JOINT RESOLUTION 2

2 **53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

3 INTRODUCED BY

4 Daymon Ely

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10 A JOINT RESOLUTION

11 PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
12 CONSTITUTION OF NEW MEXICO, SUBJECT TO THE APPROVAL OF
13 CONGRESS, TO PROVIDE FOR AN ADDITIONAL ANNUAL DISTRIBUTION OF
14 ONE-HALF PERCENT OF THE LAND GRANT PERMANENT FUNDS FOR CRIMINAL
15 JUSTICE AND PUBLIC SAFETY PURPOSES, ONLY IF THE AVERAGE OF THE
16 YEAR-END MARKET VALUES OF THE FUND FOR THE IMMEDIATELY
17 PRECEDING FIVE CALENDAR YEARS IS AT LEAST FIFTEEN BILLION
18 DOLLARS (\$15,000,000,000) AND IF THE LEGISLATURE PROVIDES BY
19 LAW FOR THE USE OF THAT ADDITIONAL DISTRIBUTION.

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

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

24 "A. As used in this section, "fund" means the
25 permanent school fund described in Article 12, Section 2 of

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

7 B. The fund shall be invested by the state
8 investment officer in accordance with policy regulations
9 promulgated by the state investment council.

10 C. In making investments, the state investment
11 officer, under the supervision of the state investment council,
12 shall invest and manage the fund in accordance with the Uniform
13 Prudent Investor Act.

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

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

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

24 (3) stocks eligible for purchase shall be
25 restricted to those stocks of businesses listed upon a national

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1 stock exchange or included in a nationally recognized list of
2 stocks.

3 E. All additions to the fund and all earnings,
4 including interest, dividends and capital gains from investment
5 of the fund shall be credited to the fund.

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

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

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

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1 ~~(2) in fiscal years 2013 through 2016, an~~
2 ~~amount equal to one-half percent of the average of the year-end~~
3 ~~market values of the fund for the immediately preceding five~~
4 ~~calendar years; provided that any additional distribution from~~
5 ~~the permanent school fund pursuant to this paragraph shall be~~
6 ~~used to implement and maintain educational reforms as provided~~
7 ~~by law] at least fifteen billion dollars (\$15,000,000,000), an~~
8 additional annual distribution of one-half percent of the
9 average of the year-end market values of the fund for the
10 immediately preceding five calendar years shall be made unless
11 the distribution is suspended in accordance with Subsection H
12 of this section. The additional annual distribution shall be
13 used only for those criminal justice and public safety purposes
14 specifically provided for by law to fund:

- 15 (1) education programs;
16 (2) law enforcement, district attorneys' and
17 public defenders' offices;
18 (3) courts;
19 (4) corrections facilities and programs;
20 (5) pretrial and post-trial services for
21 accused and convicted criminal offenders; and
22 (6) behavioral health and substance abuse
23 programs.

24 H. The legislature, by a three-fifths' vote of the
25 members elected to each house, may suspend any additional

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1 distribution provided for in Subsection G of this section."

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

7 SECTION 3. The amendment proposed by this resolution
8 shall take effect only with the consent of the United States
9 congress.

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