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

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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

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1   invested at any given time in corporate stocks;

2   (2)   not more than ten percent of the voting

3   stock of a corporation shall be held; and

4   (3)   stocks eligible for purchase shall be

5   restricted to those stocks of businesses listed upon a national

6   stock exchange or included in a nationally recognized list of

7   stocks.

8   E.   All additions to the [fund] land grant permanent

9   funds and all earnings, including interest, dividends and

10   capital gains from investment of the fund, shall be credited to

11   the [fund] land grant permanent funds.

12   F.   [Except as provided in Subsection G of this

13   section, the] Annual distributions from the [fund] land grant

14   permanent funds to the beneficiaries specified in the Enabling

15   Act and the Ferguson Act shall be five percent of the average

16   of the year-end market values of the [fund] land grant

17   permanent funds for the immediately preceding five calendar

18   years.

19   G.   In addition to the annual distribution made

20   pursuant to Subsection F of this section, unless suspended

21   pursuant to Subsection H of this section, an [additional]

22   annual distribution of one percent of the average of the year-

23   end market values of the permanent school fund for the

24   immediately preceding five calendar years shall be made

25   [pursuant to the following schedule] to the beneficiaries of

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1   the permanent school fund for teacher salaries and instruction

2   purposes, as provided by law; provided that no distribution

3   shall be made pursuant to [the provisions of] this subsection

4   in any fiscal year if the average of the year-end market values

5   of the [fund] land grant permanent funds for the immediately

6   preceding five calendar years is less than [ten billion dollars

7   ($10,000,000,000):

8   (1) in fiscal years 2005 through 2012, an

9   amount equal to eight-tenths percent of the average of the

10   year-end market values of the fund for the immediately

11   preceding five calendar years; provided that any additional

12   distribution from the permanent school fund pursuant to this

13   paragraph shall be used to implement and maintain educational

14   reforms as provided by law; and

15   (2) in fiscal years 2013 through 2016, an

16   amount equal to one-half percent of the average of the year-end

17   market values of the fund for the immediately preceding five

18   calendar years; provided that any additional distribution from

19   the permanent school fund pursuant to this paragraph shall be

20   used to implement and maintain educational reforms as provided

21   by law] seventeen billion dollars ($17,000,000,000).

22   H. The legislature, by a three-fifths' vote of the

23   members elected to each house, may suspend any additional

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

25   SECTION 2. The amendment proposed by this resolution

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1   shall be submitted to the people for their approval or

2   rejection at the next general election or at any special

3   election prior to that date that may be called for that

4   purpose.

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