

HOUSE JOINT RESOLUTION 11

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

INTRODUCED BY

Leo C. Watchman

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 8, SECTION 10 OF THE
CONSTITUTION OF NEW MEXICO TO USE, FOR A PERIOD OF FIFTEEN
YEARS, A PORTION OF A STATE PERMANENT FUND EXCLUSIVELY FOR
PUBLIC SCHOOL CAPITAL OUTLAY 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
bonds to which severance tax revenue has been or shall be

.131692.1

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

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

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

24 D. On July 1, 2001, one billion dollars
25 (\$1,000,000,000) of assets of the severance tax permanent
fund shall be segregated into a "public school capital outlay
subaccount". The annual distribution attributable to the

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1 subaccount shall equal the growth in market value of the
2 subaccount during the preceding calendar year and shall be
3 made to an "emergency school capital outlay fund" to be used
4 exclusively for public school capital outlay projects. The
5 legislature shall provide by law how the emergency school
6 capital outlay fund may be expended and shall provide by law
7 a procedure to prioritize public school capital outlay
8 projects that qualify for expenditures from the fund. On
9 July 1, 2016, the assets in the subaccount shall be
10 transferred back to the severance tax permanent fund and no
11 further distributions shall be made pursuant to this
12 subsection.

13 ~~[D.]~~ E. The frequency and the time of the
14 distributions made pursuant to ~~[Subsection]~~ Subsections C and
15 D of this section shall be as provided by law."

16 Section 2. The amendment proposed by this resolution
17 shall be submitted to the people for their approval or
18 rejection at the next general election or at any special
19 election prior to that date which may be called for that
20 purpose.