

SENATE JOINT RESOLUTION 15

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 200**

INTRODUCED BY

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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  
pledged. Money in the severance tax permanent fund shall be

.131081.2

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

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

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

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

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

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

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