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HOUSE JOINT RESOLUTION 15

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Mimi Stewart

A JOINT RESOLUTION

**PROPOSING TO AMEND THE CONSTITUTION OF NEW MEXICO TO PROVIDE
MORE MONEY FOR PUBLIC SCHOOLS BY INCREASING THE DISTRIBUTION
FROM THE PERMANENT SCHOOL FUND.**

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" means the
permanent school fund described in Section 2 of this article
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".**

B. The fund shall be invested by the state

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 investment officer in accordance with policy regulations
2 promulgated by the state investment council.

3 C. In making investments, the state investment
4 officer, under the supervision of the state investment
5 council, shall exercise the judgment and care under the
6 circumstances then prevailing that businessmen of ordinary
7 prudence, discretion and intelligence exercise in the
8 management of their own affairs not in regard to speculation
9 but in regard to the permanent disposition of their funds,
10 considering the probable income as well as the probable safety
11 of their capital.

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

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

20 (2) not more than ten percent of the voting
21 stock of a corporation shall be held;

22 (3) stocks eligible for purchase shall be
23 restricted to those stocks of businesses listed upon a
24 national stock exchange or included in a nationally recognized
25 list of stocks; and

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underscored material = new
[bracketed material] = delete

1 (4) not more than fifteen percent of the book
2 value of the fund may be invested in international securities
3 at any single time.

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

7 F. Except as provided in Subsection G of this
8 section, the annual distributions from the fund shall be [~~one~~
9 ~~hundred two percent of the amount distributed in the~~
10 ~~immediately preceding fiscal year until the annual~~
11 ~~distributions equal four and seven-tenths percent of the~~
12 ~~average of the year-end market values of the fund for the~~
13 ~~immediately preceding five calendar years. Thereafter, the~~
14 ~~amount of the annual distributions shall be~~] four and
15 seven-tenths percent of the average of the year-end market
16 values of the fund for the immediately preceding five calendar
17 years.

18 G. In addition to the distributions from the fund
19 pursuant to Subsection F of this section, an additional
20 distribution from the fund, equal to one and three-tenths
21 percent of the average of the year-end market values of the
22 fund for the immediately preceding five calendar years, shall
23 be made for the benefit of the public schools. The
24 distribution made pursuant to this subsection shall be
25 considered as new revenue available for the public schools and

1 shall not be offset by either a reduction of previously
2 existing revenue sources or the level of appropriations from
3 those sources."

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

9 Section 3. The amendment proposed in this resolution
10 shall not become effective without the consent of the United
11 States congress.