

SENATE FLOOR SUBSTITUTE FOR
SENATE JOINT RESOLUTION 6

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

A JOINT RESOLUTION

PROPOSING TO AMEND THE CONSTITUTION OF NEW MEXICO TO PROVIDE FOR A LIMITED ADDITIONAL DISTRIBUTION FROM THE PERMANENT FUNDS TO PROVIDE MORE MONEY FOR THE PUBLIC SCHOOLS TO IMPLEMENT AND MAINTAIN EDUCATIONAL REFORMS AND FOR OTHER PERMANENT FUND RECIPIENTS.

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

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1 union on an equal footing with the original states. "

2 B. The fund shall be invested by the state
3 investment officer in accordance with policy regulations
4 promulgated by the state investment council.

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

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

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

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

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

1 stocks; and

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

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

8 F. Except as provided in Subsection G of this
9 section, the annual distributions from the fund shall be [one
10 hundred two percent of the amount distributed in the
11 immediately preceding fiscal year until the annual
12 distributions equal four and seven-tenths percent of the
13 average of the year-end market values of the fund for the
14 immediately preceding five calendar years. Thereafter, the
15 amount of the annual distributions shall be] four and
16 seven-tenths percent of the average of the year-end market
17 values of the fund 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, an additional annual
21 distribution shall be made equal to one and three-tenths
22 percent of the average of the year-end market values of the
23 fund for the immediately preceding five calendar years;
24 provided that the additional distribution from the permanent
25 school fund pursuant to this subsection shall be used to

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1 implement and maintain educational reforms as provided by law."

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.

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