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SENATE JOINT RESOLUTION 12

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

Joseph Cervantes

A JOINT RESOLUTION

PROPOSING TO AMEND ARTICLE 12, SECTION 7 OF THE CONSTITUTION OF
NEW MEXICO TO PROVIDE FOR AN ADDITIONAL DISTRIBUTION FROM THE
LAND GRANT PERMANENT FUND TO IMPLEMENT AND MAINTAIN A LONGER
SCHOOL YEAR FOR PUBLIC SCHOOL STUDENTS IN KINDERGARTEN THROUGH
FIFTH GRADE.

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 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

underscoring material = new
[bracketed material] = delete

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

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

6 C. In making investments, the state investment
7 officer, under the supervision of the state investment council,
8 shall invest and manage the fund in accordance with the Uniform
9 Prudent Investor Act.

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

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

18 (2) not more than ten percent of the voting
19 stock of a corporation shall be held; and

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

24 E. All additions to the fund and all earnings,
25 including interest, dividends and capital gains from investment

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underscored material = new
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1 of the fund shall be credited to the fund.

2 F. Except as provided in Subsection G of this
3 section, the annual distributions from the fund shall be five
4 percent of the average of the year-end market values of the
5 fund for the immediately preceding five calendar years.

6 G. In addition to the annual distribution made
7 pursuant to Subsection F of this section, unless suspended
8 pursuant to Subsection H of this section, an additional annual
9 distribution shall be made ~~[pursuant to the following schedule;~~
10 ~~provided that]~~ from the permanent school fund in fiscal year
11 2017 and subsequent fiscal years in an amount equal to one
12 percent of the average of the year-end market values of the
13 fund for the immediately preceding five calendar years;
14 provided that any additional distribution from the permanent
15 school fund pursuant to this subsection shall be used to
16 implement and maintain a school year for public school students
17 in kindergarten through fifth grade that is longer than the
18 school year provided by law as of the effective date of this
19 amendment.

20 H. No distribution shall be made pursuant to the
21 provisions of [~~this~~] Subsection G of this section in any fiscal
22 year if the average of the year-end market values of the fund
23 for the immediately preceding five calendar years is less than
24 ten billion dollars (\$10,000,000,000).

25 [~~(1) in fiscal years 2005 through 2012, an~~

.199832.1

underscored material = new
[bracketed material] = delete

1 ~~amount equal to eight-tenths percent of the average of the~~
2 ~~year-end market values of the fund for the immediately~~
3 ~~preceding five calendar years; provided that any additional~~
4 ~~distribution from the permanent school fund pursuant to this~~
5 ~~paragraph shall be used to implement and maintain educational~~
6 ~~reforms as provided by law; and~~

7 ~~(2) in fiscal years 2013 through 2016, an~~
8 ~~amount equal to one-half percent of the average of the year-end~~
9 ~~market values of the fund for the immediately preceding five~~
10 ~~calendar years; provided that any additional distribution from~~
11 ~~the permanent school fund pursuant to this paragraph shall be~~
12 ~~used to implement and maintain educational reforms as provided~~
13 ~~by law.~~

14 H.] The legislature, by a three-fifths' vote of the
15 members elected to each house, may suspend [any] an additional
16 distribution provided for in Subsection G of this section."

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

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