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HOUSE JOINT RESOLUTION 10

**52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

INTRODUCED BY

Antonio "Moe" Maestas and Javier Martínez

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE  
CONSTITUTION OF NEW MEXICO, SUBJECT TO THE APPROVAL OF  
CONGRESS, TO PROVIDE FOR ADDITIONAL ANNUAL DISTRIBUTIONS OF THE  
PERMANENT FUNDS, OF WHICH CERTAIN AMOUNTS DISTRIBUTED FROM THE  
PERMANENT SCHOOL FUND SHALL BE USED FOR THE IMPLEMENTATION AND  
MAINTENANCE OF EDUCATIONAL PROGRAMS AND EARLY CHILDHOOD  
EDUCATION SERVICES, AS PROVIDED BY LAW.

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

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1 of June 20, 1910, entitled "An act to enable the people of New  
2 Mexico to form a constitution and state government and be  
3 admitted into the union on an equal footing with the original  
4 states.".

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

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

12 D. The legislature may establish criteria for  
13 investing the fund if the criteria are enacted by a three-  
14 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; and

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

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1           E. All additions to the fund and all earnings,  
2 including interest, dividends and capital gains from investment  
3 of the fund shall be credited to the fund.

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

8           G. ~~[In addition to the annual distribution made~~  
9 ~~pursuant to Subsection F of this section, unless suspended~~  
10 ~~pursuant to Subsection H of this section, an additional annual~~  
11 ~~distribution shall be made pursuant to the following schedule,~~  
12 ~~provided that no distribution shall be made pursuant to the~~  
13 ~~provisions of this subsection in any fiscal year]~~ If the  
14 average of the year-end market values of the fund for the  
15 immediately preceding five calendar years is ~~[less than]~~ at  
16 least ten billion dollars (\$10,000,000,000),

17                     ~~[(1) in fiscal years 2005 through 2012, an~~  
18 ~~amount equal to eight-tenths percent of the average of the~~  
19 ~~year-end market values of the fund for the immediately~~  
20 ~~preceding five calendar years; provided that any additional~~  
21 ~~distribution from the permanent school fund pursuant to this~~  
22 ~~paragraph shall be used to implement and maintain educational~~  
23 ~~reforms as provided by law; and~~

24                     ~~(2) in fiscal years 2013 through 2016, an~~  
25 ~~amount equal to one-half percent of the average of the year-end~~

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1 ~~market values of the fund for the immediately preceding five~~  
2 ~~calendar years; provided that any additional distribution from~~  
3 ~~the permanent school fund pursuant to this paragraph shall be~~  
4 ~~used to implement and maintain educational reforms as provided~~  
5 ~~by law] additional annual distributions shall be made, unless~~  
6 ~~suspended pursuant to Subsection I of this section, of:~~

7 (1) one-half percent of the average of the  
8 year-end market values of the fund for the immediately  
9 preceding five calendar years; provided that the amount of the  
10 additional distribution pursuant to this paragraph from the  
11 permanent school fund shall be used for the implementation and  
12 maintenance of educational programs administered by the state,  
13 as provided by law; and

14 (2) one and one-half percent of the average of  
15 the year-end market values of the fund for the immediately  
16 preceding five calendar years; provided that the amount of the  
17 additional distribution pursuant to this paragraph from the  
18 permanent school fund shall be used for early childhood  
19 education services administered by the state, as provided by  
20 law.

21 H. As used in this section, "early childhood  
22 education services" means nonsectarian services for children  
23 until eligible for kindergarten. Such services may be provided  
24 by a school district, a state contractor, an entity of an  
25 Indian nation, tribe or pueblo, the New Mexico school for the

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1 blind and visually impaired or the New Mexico school for the  
2 deaf; provided that early childhood education services  
3 available from the New Mexico school for the blind and visually  
4 impaired or the New Mexico school for the deaf shall not be  
5 delivered by a state contractor.

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

9 SECTION 2. The amendment proposed by this resolution  
10 shall be submitted to the people for their approval or  
11 rejection at the next general election or at any special  
12 election prior to that date that may be called for that  
13 purpose.

14 SECTION 3. The amendment proposed by Section 1 of this  
15 resolution shall not become effective without the consent of  
16 the United States congress.