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HOUSE JOINT RESOLUTION 22

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

INTRODUCED BY

Idalia Lechuga-Tena and Christine Trujillo

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE  
CONSTITUTION OF NEW MEXICO TO PROVIDE FOR AN ADDITIONAL ANNUAL  
DISTRIBUTION OF ONE-HALF PERCENT OF THE PERMANENT FUNDS, OF  
WHICH THE AMOUNT DISTRIBUTED FROM THE PERMANENT SCHOOL FUND  
SHALL BE USED FOR SCHOOL PROGRAMS 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  
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~~

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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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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 no distribution shall be made pursuant to the~~  
11 ~~provisions of this subsection in any fiscal year]~~ If the  
12 average of the year-end market values of the fund for the  
13 immediately preceding five calendar years is ~~[less than]~~ at  
14 least ten billion dollars (\$10,000,000,000),

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

22 ~~(2) in fiscal years 2013 through 2016 an~~  
23 ~~amount equal to one-half percent of the average of the year-end~~  
24 ~~market values of the fund for the immediately preceding five~~  
25 ~~calendar years; provided that any additional distribution from~~

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underscoring material = new  
[bracketed material] = delete

1 ~~the permanent school fund pursuant to this paragraph shall be~~  
2 ~~used to implement and maintain educational reforms as provided~~  
3 ~~by law]~~ an additional annual distribution of one-half percent  
4 of the average of the year-end market values of the fund for  
5 the immediately preceding five calendar years shall be made,  
6 unless suspended pursuant to Subsection H of this section. The  
7 amount of the additional distribution pursuant to this  
8 subsection from the permanent school fund shall be used for  
9 school programs as provided by law.

10 H. The legislature, by a three-fifths' vote of the  
11 members elected to each house, may suspend any additional  
12 distribution provided for in Subsection G of this section."

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