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SENATE JOINT RESOLUTION 14

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY
Joseph Cervantes

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 PERCENT FROM THE PERMANENT SCHOOL FUND TO
BE USED TO LENGTHEN THE SCHOOL DAY AND SCHOOL YEAR 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
admitted into the union on an equal footing with the original
states."

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

C. In making investments, the state investment
officer, under the supervision of the state investment council,

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1 shall invest and manage the fund in accordance with the Uniform
2 Prudent Investor Act.

3 D. The legislature may establish criteria for
4 investing the fund if the criteria are enacted by a three-
5 fourths' vote of the members elected to each house, but
6 investment of the fund is subject to the following
7 restrictions:

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

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

13 (3) stocks eligible for purchase shall be
14 restricted to those stocks of businesses listed upon a national
15 stock exchange or included in a nationally recognized list of
16 stocks.

17 E. All additions to the fund and all earnings,
18 including interest, dividends and capital gains from investment
19 of the fund shall be credited to the fund.

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

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

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

8 ~~(2) in fiscal years 2013 through 2016 an~~
9 ~~amount equal to one-half percent of the average of the year-end~~
10 ~~market values of the fund for the immediately preceding five~~
11 ~~calendar years; provided that any additional distribution from~~
12 ~~the permanent school fund pursuant to this paragraph shall be~~
13 ~~used to implement and maintain educational reforms as provided~~
14 ~~by law] an additional annual distribution only from the~~
15 ~~permanent school fund provided for in Article 12, Section 2 of~~
16 ~~the constitution of New Mexico of one percent of the average of~~
17 ~~the year-end market values of the permanent school fund for the~~
18 ~~immediately preceding five calendar years shall be made, unless~~
19 ~~suspended pursuant to Subsection H of this section. The amount~~
20 ~~of the additional distribution pursuant to this subsection from~~
21 ~~the permanent school fund shall be used to increase the minimum~~
22 ~~instructional hours and days in a school year as provided by~~
23 ~~law.~~

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

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