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HOUSE JOINT RESOLUTION 24

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Joseph P. Mohorvic

A JOINT RESOLUTION

PROPOSING AN AMENDMENT TO ARTICLE 4 OF THE CONSTITUTION OF NEW MEXICO TO LIMIT EXPENDITURES OF THE STATE.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. It is proposed to amend Article 4 of the constitution of New Mexico by adding a new section to read:

"A. As used in this section:

(1) "state expenditures" means all money expended for any purpose, derived from any source, except funds derived from user fees, federal grants or funds, contributions, unemployment and disability insurance funds, pension fund contributions from employees, interest on pension fund investments or intergovernmental transfers of funds; and

(2) "state personal income" means total annual personal income of the state as determined by the

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1 United States department of commerce.

2 B. State expenditures in any fiscal year shall not
3 be increased above such expenditures in the previous fiscal
4 year by a percentage greater than the average percentage rate
5 of growth in state personal income for the previous three
6 years; provided, however, that in the event the governor
7 declares a financial emergency to exist in the financing of
8 state government and the legislature, by joint resolution
9 approved by a two-thirds' vote of the total senate membership
10 and two-thirds' vote of the total house of representatives
11 membership, concurs in the governor's declaration, the
12 limitation on expenditures prescribed in this subsection may
13 be suspended for the fiscal year in which the emergency is
14 declared to exist. Any such declaration shall specifically
15 define the nature of the emergency and shall prescribe how the
16 emergency shall be funded. The authorized state expenditure
17 for the fiscal year following a fiscal year in which the
18 spending limitation has been suspended because of an emergency
19 shall be determined by defining state expenditures for the
20 previous year as being the maximum expenditure that could have
21 been authorized by the spending limitation prescribed in this
22 subsection if such limitation had not been suspended.

23 C. The spending limitation provided for in
24 Subsection B of this section may also be changed for a
25 specific fiscal year by a favorable majority vote of the

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1 qualified electors of the state voting in a referendum called
2 for that purpose conducted not less than sixty days prior to
3 the commencement of the fiscal year concerned. The referendum
4 shall be conducted pursuant to a joint resolution of the
5 legislature which shall contain the referendum question.

6 D. To maintain the integrity of the limitation on
7 state expenditures provided for in Subsection B of this
8 section, the proceeds of state severance tax bonds shall not
9 be used to fund operating expenses of state government, and
10 such proceeds shall be used only for capital improvements.

11 E. The state shall not mandate to political
12 subdivisions new programs or increase levels of service under
13 existing programs unless the necessary costs thereof shall be
14 paid for by the state.

15 F. To preserve the full faith and credit of the
16 state with respect to any existing or future bonded
17 indebtedness, the principal and interest payments on general
18 obligation and severance tax bonds shall constitute priority
19 state expenditures as defined in Subsection A of this section,
20 and the expenditure limitations in this section shall not
21 under any circumstances interfere with the payment of such
22 obligations.

23 G. The legislature shall limit taxes to amounts
24 necessary to fund authorized expenditures and minimize the
25 accumulation of excess revenue other than to maintain the

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1 state reserve funds; provided, however, that there shall be no
2 limitation on the amount of user fees, federal grants or
3 funds, contributions, unemployment and disability insurance
4 funds, pension fund contributions from employees, interest on
5 pension fund investments or intergovernmental transfers of
6 funds but not proceeds of taxes, fees or penalties imposed by
7 the receiving unit which are collected by another unit of
8 government. "

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 which may be called for that
13 purpose.