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HOUSE JOINT RESOLUTION 1

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**53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018**

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INTRODUCED BY

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A JOINT RESOLUTION

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PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE

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CONSTITUTION OF NEW MEXICO, SUBJECT TO THE APPROVAL OF

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CONGRESS, TO PROVIDE FOR ADDITIONAL ANNUAL DISTRIBUTIONS OF THE

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PERMANENT FUNDS, INCLUDING DISTRIBUTIONS FROM THE PERMANENT

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SCHOOL FUND IN FISCAL YEARS 2020 AND 2021 FOR PUBLIC SCHOOL

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EDUCATIONAL PROGRAMS AND EARLY CHILDHOOD EDUCATIONAL SERVICES

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AND IN SUBSEQUENT FISCAL YEARS FOR EARLY CHILDHOOD EDUCATIONAL

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SERVICES.

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

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**SECTION 1.** It is proposed to amend Article 12, Section 7

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of the constitution of New Mexico to read:

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"A. As used in this section, "fund" means the

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permanent school fund described in Article 12, Section 2 of

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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."

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

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

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

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

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

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(3) stocks eligible for purchase shall be  
restricted to those stocks of businesses listed upon a national

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stock exchange or included in a nationally recognized list of  
stocks.

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

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

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G. In addition to the annual distribution made  
pursuant to Subsection F of this section, unless suspended  
pursuant to Subsection [H] I of this section, an additional  
annual distribution shall be made ~~[pursuant to the following  
schedule]~~ as provided in this subsection; provided that no  
additional 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 ten billion dollars  
(\$10,000,000,000).

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

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~~reforms as provided by law; and~~

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~~(2) in fiscal years 2013 through 2016 an~~

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~~amount equal to one-half percent of the average of the year-end~~

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~~market values of the fund for the immediately preceding five~~

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~~calendar years; provided that any additional distribution from~~

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~~the permanent school fund pursuant to this paragraph shall be~~

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~~used to implement and maintain educational reforms as provided~~

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~~by law] Additional annual distributions shall be made as~~

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~~follows, unless suspended pursuant to this subsection or~~

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~~Subsection I of this section:~~

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~~(1) in fiscal year 2020, one percent of the~~

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~~year-end market values of the fund for the immediately~~

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~~preceding five calendar years; provided that the amount of the~~

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~~additional distribution from the permanent school fund shall be~~

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~~divided as follows:~~

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~~(a) seven-tenths of the distribution for~~

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~~the implementation and maintenance of educational programs~~

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~~administered by the state, as provided by law; and~~

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~~(b) three-tenths of the distribution for~~

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~~early childhood educational services administered by the state,~~

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~~as provided by law;~~

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~~(2) in fiscal year 2021, one percent of the~~

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~~year-end market values of the fund for the immediately~~

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~~preceding five calendar years; provided that the amount of the~~

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~~additional distribution from the permanent school fund shall be~~

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divided as follows:

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(a) three-tenths of the distribution for  
the implementation and maintenance of educational programs  
administered by the state, as provided by law; and

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(b) seven-tenths of the distribution for  
early childhood educational services administered by the state,  
as provided by law; and

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(3) in fiscal year 2022 and each subsequent  
fiscal year, one percent of the year-end market values of the  
fund for the immediately preceding five calendar years;

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provided that the amount of the additional distribution from  
the permanent school fund shall be used for early childhood  
educational services administered by the state, as provided by  
law.

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H. As used in this section, "early childhood  
educational services" means nonsectarian and nondenominational  
services for children until they are eligible for kindergarten.  
Such services may be provided by a school district or an entity  
of an Indian nation, tribe or pueblo.

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

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**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

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election prior to that date that may be called for that purpose.

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

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