

1 SENATE JOINT RESOLUTION 18

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Joseph Cervantes

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10 A JOINT RESOLUTION

11 PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7 OF THE
12 CONSTITUTION OF NEW MEXICO TO PROVIDE FOR AN ADDITIONAL ANNUAL
13 DISTRIBUTION OF ONE PERCENT FROM THE PERMANENT SCHOOL FUND TO
14 BE USED TO INCREASE THE INSTRUCTIONAL HOURS AND DAYS FOR
15 STUDENTS AS PROVIDED BY LAW.

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

18 SECTION 1. It is proposed to amend Article 12, Section 7
19 of the constitution of New Mexico to read:

20 "A. As used in this section, "fund" means the
21 permanent school fund described in Article 12, Section 2 of
22 this constitution and all other permanent funds derived from
23 lands granted or confirmed to the state by the act of congress
24 of June 20, 1910, entitled "An act to enable the people of New
25 Mexico to form a constitution and state government and be

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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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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 only from the
4 permanent school fund provided for in Article 12, Section 2 of
5 the constitution of New Mexico of one percent of the average of
6 the year-end market values of the permanent school fund for the
7 immediately preceding five calendar years shall be made, unless
8 suspended pursuant to Subsection H of this section. The amount
9 of the additional distribution pursuant to this subsection from
10 the permanent school fund shall be used to increase the minimum
11 instructional hours and days in a school year as provided by
12 law.

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

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