



WYOMING LEGISLATIVE SERVICE OFFICE

Memorandum

DATE September 22, 2022

TO Senator Hicks

FROM Emily Wangen, Legislative Editor

SUBJECT Amending Acts of Admission in Idaho and New Mexico

This memorandum responds to a request for research on how Idaho and New Mexico amended their act to alter the restrictions for their state's endowments. Generally, Congress amended the acts of admission for Idaho and New Mexico after receiving the requests from their state legislatures (either through a Joint Memorial passed by the state legislature or a letter to the state's Congressional delegation).

IDAHO

Members of Idaho's congressional delegation introduced a bill To Amend the Idaho Admission Act Regarding the Sale or Lease of School Land in both chambers in June 1998¹ as part of a broader state effort to reform the state's endowment fund and investments.² Specifically, the bill established an earnings reserve fund, authorized a land bank fund, and eliminated the land lease-time restrictions.³ Relevant here, the congressional act recreated Section 5 of the Idaho Admission Act to authorize that earnings on amounts in Idaho's Public School Permanent Endowment Fund were to be deposited into an Earnings Reserve Fund, which is "to be used for the support of public schools of the State in accordance with State law."⁴ The House of Representatives passed the bill by voice vote (on a motion to suspend the rules and pass the bill); the Senate passed the bill by unanimous consent. The bill was passed as a standalone bill. Table 1 lists notable actions taken on the bills introduced in the House of Representatives and the Senate.

¹ **H.R. 4166 – 105th Congress (1997-1998)**

² Clive J. Strong, **Overview of Land Board Endowment Reform**, 2014

³ **H.R. 4166 – 105th Congress (1997-1998)**

⁴ Id.

Table 1: Timeline of Bill Actions – Idaho^{1,2}

DATE	VERSION	ACTION
6/25/1998	House	Introduced and referred to the House Committee on Resources and its Subcommittee on National Parks and Public Lands
6/25/1998	Senate	Introduced, read twice, and referred to the Senate Committee on Energy and Natural Resources
6/26/1998	Senate	Referred to the Senate Subcommittee on Forests and Public Lands
7/23/1998	Senate	Ordered to be favorably reported without amendment by the committee on Energy and Natural Resources [END OF SENATE BILL ACTIONS]
8/5/1998	House	Ordered to be favorably reported without amendment by the Committee on Resources
9/15/1998	House	Passed the House of Representatives on a motion to suspend the rules and pass the bill
9/25/1998	House	Reported out of the Senate Committee on Energy and Natural Resources
10/07/1998	House	Passed the Senate
10/20/1998	House	Presented to the President
10/27/1998	House	Signed by the President and became P.L. No. 105-296

¹Actions Overview: [H.R. 4166 – 105th Congress \(1997-1998\)](#)

²Actions Overview: [S. 2226 – 105th Congress \(1997-1998\)](#)

The state of Idaho took several actions before the introduction of that bill in Congress. In 1996, Governor Phil Batt created the Governor’s Committee on Endowment Fund Investment Reform following a discussion at a July 1996 Land Board meeting at which the Board discussed the underperformance of a leasing program.⁵ The Committee’s charge was to find ways to improve the Land Commissioner’s ability to manage the state’s lands and assets and was comprised of economists, investment consultants, and state and elected officials.⁶

The Governor’s Committee submitted a report to the Governor in December 1996, in which the Committee made three general recommendations⁷:

1. Overhaul the management of and rules of operation for the Endowment Fund as a whole;
2. Enhance the ability to prudently invest the financial assets of the endowment to allow greater safety through diversification and, if desired, achieve higher returns; and
3. Implement a mechanism for identifying and addressing underperforming assets.

⁵ Idaho’s Endowment Fund is the fund containing, among other things, the proceeds of the sale of state lands in Idaho.

⁶ Clive J. Strong, [Overview of Land Board Endowment Reform](#), 2014

⁷ [Report and Recommendations of the Governor’s Committee on Endowment Fund Investment Reform](#), Dec. 15, 1996

As a result of the Governor’s Committee’s work, the Idaho Legislature in 1997 authorized the Legislative Council to appoint a committee to study the Governor’s Committee’s report and recommendations and propose legislation for endowment investment reform.⁸ The legislative committee recommended four pieces of legislation that ultimately passed out of the Legislature; most relevant here was the passage of a Joint Memorial that requested Congress amend the Idaho Admission Act (Appendix A).⁹ In the Joint Memorial, the Idaho Legislature found that the Act of Admission's requirement that only the interest of the proceeds from the sale of endowed lands could be used to support public schools was “inconsistent with modern concepts of prudent investment” and could be modified without undue risk to the state or permanent school fund.¹⁰

NEW MEXICO

In March 1997, members of New Mexico’s Congressional delegation in March 1997 introduced in both chambers The New Mexico Statehood and Enabling Act Amendments of 1997.¹¹ The federal bill was introduced after the voters of New Mexico voted to adopt an amendment to the state’s constitution regarding permanent fund investments and expenditures¹² that would not go into effect without the consent of Congress through an amendment to the state’s admission act.¹³ Among other things, the state constitutional amendment specified that all additions to the state's school fund "and all earnings, including interest, dividends and capital gains from investment of the fund shall be credited to the fund."¹⁴

In February 1997, Governor Gary Johnson and leadership from the majority and minority parties in the Legislature sent a letter to one of New Mexico’s Senators (Pete Domenici) requesting that Congress amend the state’s enabling act to fully implement the constitutional changes approved by the voters three months earlier.¹⁵ In the letter that Senator Domenici submitted to the Congressional Record during his introduction speech, the state officials wrote that the amendment was necessary to “protect the fund from inflation and to reduce risk by diversifying investments and establishing a distribution formula similar to that used by most other endowments.”¹⁶

Similar to Idaho's bill, the congressional bill making changes to New Mexico's Enabling Act passed the House without objection and the Senate by unanimous consent. The bill was a standalone bill and provided, among other things, the following:

⁸ [H.C.R. 21, 1997 Idaho Sess. Laws at 1340](#)

⁹ Clive J. Strong, [Overview of Land Board Endowment Reform](#), 2014

¹⁰ [H.J.M. 9, 1998 Idaho Sess. Laws at 1372](#)

¹¹ [S.430 – 105th Congress \(1997-1998\)](#)

¹² [S. Rept. 105-18 – 105th Congress \(1997-1998\)](#), May 15, 1997

¹³ [New Mexico Laws 1996, c.a. 1](#), § 6 (“The amendments proposed by Sections 2, 3 and 4 of this resolution shall not become effective without the consent of the United States congress.”).

¹⁴ [Id.](#) § 4; [N.M. Const. art. 12, § 7](#).

¹⁵ [Congressional Record – Senate](#), March 12, 1997

¹⁶ [Id.](#)

The trust funds, including all interest, dividends, other income, and appreciation in the market value of assets shall be prudently invested on a total rate of return basis. Distributions from the trust funds shall be made as provided in Article 12, Section 7 of the Constitution of the State of New Mexico.¹⁷

The federal bill also expressly stated that Congress consented to the amendments the people of New Mexico made to its constitution regarding the state's school fund. Table 2 lists notable actions taken on the bills introduced in the House and Senate.

Table 2: Timeline of Bill Actions – New Mexico^{1,2}

DATE	VERSION	ACTION
3/12/1997	Senate	Introduced and referred to the Committee on Energy and Natural Resources
3/12/1997	House	Introduced in the House and referred to the Committee on Resources [END OF HOUSE ACTIONS]
5/14/1997	Senate	Ordered to be favorably reported without amendment by the Committee on Energy and Natural Resources
5/21/1997	Senate	Read a third time and passed the Senate
7/28/1997	Senate	Passed the House on a motion to suspend the rules and pass the bill
7/30/1997	Senate	Presented to the President
8/7/1997	Senate	Signed by the President and became P.L. No. 105-37

¹Actions Overview: S.430 – 105th Congress (1997-1998)

²Actions Overview: H.R. 1051 – 105th Congress (1997-1998)

Please reach out if there are any questions or requests for additional information.

¹⁷ 1997 S. 430, Pub. L. No. 105-37.