

SENATE BILL 217

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

Nancy Rodriguez

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO SEVERANCE TAX BONDING; PROVIDING FOR A MINIMUM DISTRIBUTION FROM THE SEVERANCE TAX BONDING FUND TO THE SEVERANCE TAX PERMANENT FUND EVERY YEAR FOR SFC→~~TEN~~←SFC SFC→~~NINE~~←SFC YEARS; LIMITING THE AMOUNT OF SUPPLEMENTAL SEVERANCE TAX BONDS OR NOTES ISSUED IN 2024.

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

SECTION 1. Section 7-27-10 NMSA 1978 (being Laws 1961,

.227177.2AIC February 10, 2024 (3:56pm)

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Chapter 5, Section 8, as amended) is amended to read:

"7-27-10. STATE BOARD OF FINANCE SHALL ISSUE BONDS.--

A. The state board of finance is authorized to issue and sell severance tax bonds within the provisions of the Severance Tax Bonding Act, and no other agency of the state is authorized to issue or sell severance tax bonds.

B. The state board of finance may issue and sell supplemental severance tax bonds within the provisions of the Severance Tax Bonding Act, and no other agency of the state is authorized to issue or sell supplemental severance tax bonds. As a temporary measure for fiscal year 2023, the state board of finance shall not issue and sell more than six hundred eighty-two million two hundred thousand dollars (\$682,200,000) of supplemental severance tax bonds or notes.

C. The state board of finance may issue and sell supplemental severance tax bonds within the provisions of the Severance Tax Bonding Act, and no other agency of the state is authorized to issue or sell supplemental severance tax bonds. As a temporary measure for fiscal year 2024, the state board of finance shall not issue and sell more than seven hundred fifty-seven million dollars (\$757,000,000) of supplemental severance tax bonds or notes."

SECTION 2. A new section of the Severance Tax Bonding Act, Section 7-27-10.3 NMSA 1978, is enacted to read:

"7-27-10.3. [NEW MATERIAL] TRANSFER TO SEVERANCE TAX

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PERMANENT FUND BEFORE DETERMINING BONDING CAPACITY.--On
December 31 of each year from 2024 through SFC→2034←SFC
SFC→2033←SFC , the board of finance division of the department
of finance and administration shall transfer SFC→eighty-two
million five hundred thirty thousand dollars (\$82,530,000)←SFC
SFC→eighty-two million dollars (\$82,000,000)←SFC from the
severance tax bonding fund to the severance tax permanent fund,
unless the state board of finance determines that a lesser
transfer amount is necessary pursuant to Section 7-27-8 NMSA
1978 to avoid a potential shortfall in debt service
obligations."

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