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HOUSE BILL 926

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Max Coll

AN ACT

RELATING TO OIL AND GAS; AMENDING A CERTAIN SECTION OF THE OIL AND GAS PROCEEDS PAYMENT ACT TO INCREASE THE INTEREST RATE ON LATE PAYMENTS.

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

Section 1. Section 70-10-4 NMSA 1978 (being Laws 1991, Chapter 235, Section 3) is amended to read:

"70-10-4. INTEREST ON LATE PAYMENTS. --

A. Any delay in determining any person legally entitled to an interest in the proceeds from production shall not affect payments to all other persons entitled to payments. In instances where payments cannot be made within the time period provided in Section 70-10-3 NMSA 1978, the payor shall create a suspense account on his books for such interest or may interplead the suspended funds into court.

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B. The person entitled to payment from the suspended funds shall be entitled to interest on the suspended funds from the date payment is due under Section 70-10-3 NMSA 1978. The interest awarded shall be the discount rate charged by the federal reserve bank of Dallas to member banks plus [~~one~~] six and one-half percent on the date payment is due. Payment of principal and interest on the suspended funds shall be made to all persons legally entitled to the funds within thirty days from the date that the persons are determined to be entitled to the suspended funds by a final legal determination. "