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## FISCAL IMPACT REPORT

SPONSOR: Tsosie DATE TYPED: 03/04/01 HB \_\_\_\_\_  
 SHORT TITLE: Study Taxation of Fuel Sales by Tribes SB SJM 59  
 ANALYST: Burch

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		**	**		

(Parenthesis ( ) Indicate Expenditure Decreases)

\*\*Please see Fiscal Implications section of this report.

Similar to House Joint Memorial 77

### SOURCES OF INFORMATION

LFC Files  
 State Highway and Transportation Department (SHTD)

### SUMMARY

#### Synopsis of Bill

Senate Joint Memorial 59 requests the Legislative Council to appoint an appropriate interim committee to review current law and study its impact on consumers, retailers and distributors of gasoline in New Mexico, and especially the effects of current law in Indian country. The interim committee is requested to make a report of its findings and recommendations for legislation that will resolve the ongoing conflicts regarding gasoline taxation in Indian country to the Legislature in 2002.

#### Significant Issues

The State Highway and Transportation Department (SHTD) reports that “Sale of motor vehicle fuel without levying state fuel taxes in Indian country costs the NM State Road Fund several million dollars a year. Tribal sovereignty is related to the taxation issue. Article IX, Section 16 of the New Mexico State Constitution provides that “the Legislature shall not enact any law which will decrease the amount of the annual revenues pledged for the payment of state highway debentures or will divert any such revenues to any other purpose so long as any of said debentures issued to anticipate the collection thereof remain unpaid.” It should be noted that the department has pledged the gasoline and special fuels taxes for the next 15 years.”

**FISCAL IMPLICATIONS**

There is no appropriation in the bill for the costs of the committee; therefore, it is presumed that the costs of the committee would be paid from the appropriation for legislative interim expenses contained in Subsection B of Section 3 of House Bill 1, the Feed Bill, already approved by the governor.

**ADMINISTRATIVE IMPLICATIONS**

The Legislative Council Service would probably provide staff support to the committee. Other agencies, such as the State Highway and Transportation Department and the Taxation and Revenue Department, would participate in the work of the committee; however, no additional FTE would be required.

DKB/ar