

FIFTY-FOURTH LEGISLATURE
SECOND SESSION, 2020

SB 3/a

February 4, 2020

Mr. President:

Your **FINANCE COMMITTEE**, to whom has been referred

SENATE BILL 3, as amended

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. Strike Senate Education Committee Amendment 2.
2. On page 1, line 13, after the semicolon, strike the remainder of the line and strike all of line 14 and insert in lieu thereof "CREATING THE EXCESS EXTRACTION TAXES SUSPENSE FUND; DISTRIBUTING EXCESS OIL AND GAS EMERGENCY SCHOOL TAX REVENUE TO THE EXCESS EXTRACTION TAXES SUSPENSE FUND; TRANSFERRING REVENUE IN THE EXCESS EXTRACTION TAXES SUSPENSE FUND TO THE TAX STABILIZATION RESERVE AND".
3. On page 1, line 18, strike "; MAKING AN APPROPRIATION".
4. On page 3, line 8, after "fund", insert ", the state-support reserve fund".
5. On page 3, line 16, after the comma, insert "the general fund operating reserve,".
6. On page 4, between lines 23 and 24, insert the following new section:

"SECTION 4. A new section of Chapter 6, Article 4 NMSA 1978 is enacted to read:

"[NEW MATERIAL] EXCESS EXTRACTION TAXES SUSPENSE FUND--TRANSFER OF EXCESS OIL AND GAS EMERGENCY SCHOOL TAX REVENUE--TAX STABILIZATION RESERVE--EARLY CHILDHOOD EDUCATION AND CARE FUND.--

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A. The "excess extraction taxes suspense fund" is created as a nonreverting fund in the state treasury. Money in the fund shall only be used to make transfers by the department of finance and administration as required by this section.

B. At the end of each fiscal year, the department of finance and administration shall transfer the balance of the fund attributable to that fiscal year as follows:

(1) to the tax stabilization reserve, the amount necessary to bring the balance of state reserves to a level equal to twenty-five percent of the aggregate recurring appropriations for that fiscal year from the general fund, as determined by the department; provided that, if the balance in the excess extraction taxes suspense fund is not sufficient to meet that level, the entire balance shall be transferred to the tax stabilization reserve; and

(2) to the early childhood education and care fund, the balance remaining in the excess extraction taxes suspense fund, if any, after the transfer is made pursuant to Paragraph (1) of this subsection.

C. As used in this section, "state reserves" means the general fund balances, as determined by the department of finance and administration, including all authorized revenues and transfers to the general fund and balances in the appropriation contingency fund, the general fund operating reserve, the state-support reserve fund, the tax stabilization reserve and the tobacco settlement permanent fund."".

7. On pages 6 through 8, strike Section 5 in its entirety and insert in lieu thereof the following new section:

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"SECTION 6. Section 7-1-6.61 NMSA 1978 (being Laws 2017 (1st S.S.), Chapter 3, Section 3) is amended to read:

"7-1-6.61. DISTRIBUTION--~~[TAX STABILIZATION RESERVE FROM THE]~~
OIL AND GAS EMERGENCY SCHOOL TAX--EXCESS EXTRACTION TAXES SUSPENSE
FUND.--

A. A distribution pursuant to Section 7-1-6.20 NMSA 1978 shall be made to the ~~[tax stabilization reserve]~~ excess extraction taxes suspense fund in an amount as calculated pursuant to Subsection B of this section.

B. If the year-to-date amount plus the current net receipts exceeds the annual average amount, the excess shall be distributed by the taxation and revenue department to the [tax stabilization reserve] excess extraction taxes suspense fund. Each month the department of finance and administration shall make the calculation to determine the excess amount to be distributed. If there is not an excess amount, no distribution shall be made ~~[to the tax stabilization reserve. Each month the department shall make the calculation to determine if an excess amount should be distributed].~~

C. As used in this section:

(1) "annual average amount" means the total net receipts attributable to the tax imposed pursuant to Section 7-31-4 NMSA 1978 and distributed pursuant to Section 7-1-6.20 NMSA 1978 in the immediately preceding five fiscal years, divided by five; and

(2) "year-to-date amount" means the cumulative year-to-date net receipts attributable to the tax imposed pursuant to Section 7-31-4 NMSA 1978 and distributed to the general fund in the prior months of the current fiscal year.""

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8. On page 9, lines 11 through 17, strike Section 7 in its entirety.

9. Renumber sections to correspond with these amendments.

Respectfully submitted,

John Arthur Smith, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 10 For 0 Against

Yes: 10

No: 0

Excused: Campos, Rue

Absent: None

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