

LFC Requester: _____

AGENCY BILL ANALYSIS

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment _____
Correction Substitute _____

Date 1/22/2025
Bill No: SB 23

Sponsor: Sen. George Muñoz
Short Title: Oil & Gas Royalty Rate Changes
Agency Name and Code: EMNRD 521
Number: _____
Person Writing: Samantha Kao
Phone: 505-627-2539 **Email:** Samantha.kao@emnrd.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

SB23 increases the royalty rates in “premium restricted land” from 18.75-20% to 20-25%. These areas are identified as townships 8 to 10 south inclusive, ranges 31 to 38 east inclusive; townships 11 to 15 south inclusive, ranges 31 to 38 east inclusive; townships 16 to 20 south inclusive, ranges 21 to 39 east inclusive; township 20.5 south, ranges 21 to 23 east inclusive; or townships 21 to 26 south inclusive, ranges 21 to 38 east inclusive, N.M.P.M.)

FISCAL IMPLICATIONS

No fiscal impact for EMNRD.

SIGNIFICANT ISSUES

No impacts to EMNRD. This bill would increase royalty revenue collected in these areas by SLO.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Royalty revenues would not be increased in the area and SLO could potentially continue to exclude them from being leased.

AMENDMENTS