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HOUSE BILL

**52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO LOW-INCOME HOME ENERGY ASSISTANCE; PROVIDING FOR  
DISTRIBUTIONS FROM THE EXTRACTION TAXES SUSPENSE FUND FOR LOW-  
INCOME HOME ENERGY ASSISTANCE AND WEATHERIZATION IF NET  
RECEIPTS FROM THE OIL AND GAS EMERGENCY SCHOOL TAX EXCEED  
CERTAIN AMOUNTS; CREATING A FUND; MAKING AN APPROPRIATION.

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

SECTION 1. Section 7-1-6.20 NMSA 1978 (being Laws 1985,  
Chapter 65, Section 6, as amended) is amended to read:

"7-1-6.20. IDENTIFICATION OF MONEY IN EXTRACTION TAXES  
SUSPENSE FUND--DISTRIBUTION.--

A. Except as provided in Subsection B of this  
section, after the necessary disbursements have been made from  
the extraction taxes suspense fund, the money remaining in the  
suspense fund as of the last day of the month shall be

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1 identified by tax source and distributed or transferred in  
2 accordance with the provisions of Sections 7-1-6.21 through  
3 7-1-6.23 and 7-1-6.61 NMSA 1978. After the necessary  
4 distributions and transfers, any balance, except for  
5 remittances unidentified as to source or disposition, shall be  
6 transferred to the general fund.

7 B. Payments on assessments issued by the department  
8 pursuant to the Oil and Gas Conservation Tax Act, the Oil and  
9 Gas Emergency School Tax Act, the Oil and Gas Ad Valorem  
10 Production Tax Act and the Oil and Gas Severance Tax Act shall  
11 be held in the extraction taxes suspense fund until the  
12 secretary determines that there is no substantial risk of  
13 protest or other litigation, whereupon after the necessary  
14 disbursements have been made from the extraction taxes suspense  
15 fund, the money remaining in the suspense fund as of the last  
16 day of the month attributed to these payments shall be  
17 identified by tax source and distributed or transferred in  
18 accordance with the provisions of Sections 7-1-6.21 through  
19 7-1-6.23 and 7-1-6.61 NMSA 1978. After the necessary  
20 distributions and transfers, any balance, except for remittance  
21 unidentified as to source or disposition, shall be transferred  
22 to the general fund."

23 SECTION 2. A new section of the Tax Administration Act,  
24 Section 7-1-6.61 NMSA 1978, is enacted to read:

25 "7-1-6.61. [NEW MATERIAL] DISTRIBUTION TO LOW-INCOME HOME

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1 ENERGY ASSISTANCE FUND.--

2 A. A distribution pursuant to Section 7-1-6.20 NMSA  
3 1978 shall be made to the low-income home energy assistance  
4 fund in an amount equal to twenty percent of the monthly  
5 calculation amount.

6 B. For the purposes of this section:

7 (1) "base amount for the current month" means  
8 the net receipts attributable to the taxes paid pursuant to the  
9 Oil and Gas Emergency School Tax Act for the month in fiscal  
10 year 2013 corresponding to the current month multiplied by the  
11 lesser of:

12 (a) a fraction, the denominator of which  
13 is the consumer price index for the corresponding month in  
14 fiscal year 2013 for the United States for all urban consumers,  
15 all items, as published by the United States department of  
16 labor, and the numerator of which is the same index for the  
17 current month; or

18 (b) a fraction, the denominator of which  
19 is the consumer price index for the corresponding month in  
20 fiscal year 2013 for the United States for all urban consumers,  
21 energy item, as published by the United States department of  
22 labor, and the numerator of which is the same index for the  
23 current month;

24 (2) "current month" means the month of the  
25 sales of products subject to the Oil and Gas Emergency School

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1 Tax Act, not the month in which the report required by Section  
2 7-31-10 NMSA 1978 is required;

3 (3) "monthly calculation amount" means an  
4 amount equal to the net receipts of the current month  
5 attributable to the tax imposed pursuant to the Oil and Gas  
6 Emergency School Tax Act less the base amount for the current  
7 month; provided that, if the calculation results in a negative  
8 number, the monthly calculation amount for that month shall be  
9 zero; and

10 (4) "net receipts attributable to the taxes  
11 paid pursuant to the Oil and Gas Emergency School Tax Act"  
12 excludes any amounts paid pursuant to the provisions of Section  
13 7-31-26 NMSA 1978."

14 SECTION 3. [NEW MATERIAL] LOW-INCOME HOME ENERGY  
15 ASSISTANCE FUND CREATED--APPROPRIATION.--

16 A. The "low-income home energy assistance fund" is  
17 created in the state treasury. The fund consists of money  
18 appropriated and transferred to the fund and tax revenues  
19 distributed to the fund by law. Earnings of the fund shall be  
20 credited to the fund. Balances in the fund shall not revert at  
21 the end of a fiscal year.

22 B. Eighty percent of the money in the low-income  
23 home energy assistance fund is appropriated to the human  
24 services department for expenditure for the low-income home  
25 energy assistance program. Money in the fund shall be

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