SENATE MEMORIAL 16

44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2000

INTRODUCED BY

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A MEMORIAL

REQUESTING THE UNITED STATES CONGRESS TO ENACT S. 1997 TO SIMPLIFY FEDERAL OIL AND GAS REVENUE DISTRIBUTIONS.

WHEREAS, the state of New Mexico shares a portion of the royalty receipts from oil and gas production from federal lands within the boundaries of the state; and

WHEREAS, the state's share of these royalties is calculated using the net receipts sharing procedure set forth in the Omnibus Budget Reconciliation Act of 1993; and

WHEREAS, the net receipts sharing procedure is a complicated and inefficient means of calculating the state's share of oil and gas royalty receipts; and

WHEREAS, the inspector general of the United States department of the interior has found that inaccurate cost estimates have resulted in states being overcharged millions of dollars in administrative expenses, resulting in

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1   correspondingly lower federal mineral leasing revenues; and

2   WHEREAS, the procedure used by the federal government

3   prior to the Omnibus Budget Reconciliation Act of 1993 was

4   more efficient and equitable; and

5   WHEREAS, the procedure utilized under the Omnibus Budget

6   Reconciliation Act of 1993 has been a source of disagreement

7   and a source of added administrative burden to the state and

8   to the federal government; and

9   WHEREAS, Senator Jeff Bingaman has introduced

10   legislation that would abolish net receipts sharing as

11   provided for in the Omnibus Budget Reconciliation Act of 1993

12   and resolve future disputes and complexities;

13   NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE

14   STATE OF NEW MEXICO that the congress be requested to enact

15   S. 1997 without amendment; and

16   BE IT FURTHER RESOLVED that copies of this memorial be

17   transmitted to the New Mexico congressional delegation.

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