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FISCAL IMPACT REPORT

SPONSOR: Coll DATE TYPED: 02/25/01 HB 926
 SHORT TITLE: Amend Oil and Gas Proceeds Payment Act SB _____
 ANALYST: Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
		NFI		

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
 Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

The bill would increase the interest rate on late payments made pursuant to the Oil and Gas Proceeds Payment Act. The interest rate is raised from 1 ½% to 6 1/2% over the discount rate charged by the Federal Reserve Bank of Dallas.

Significant Issues

This is the rate of interest paid to persons entitled to proceeds of any well producing crude oil, natural gas or related hydrocarbons, and who have not been paid within six months. Specifically, oil and gas proceeds refers to all payments derived from oil and gas production from any well located in New Mexico, including royalty interest, overriding royalty interest, production payment interest or working interest, expressed as a right of a specified interest in the cash proceeds received from the sale of oil and gas or its cash value.

FISCAL IMPLICATIONS

No fiscal impact on state revenues.

AW/ar