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SENATE BILL 184

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

William E. Sharer

AN ACT

RELATING TO SEVERANCE TAX BONDS; ENACTING A NEW SECTION OF THE SEVERANCE TAX BONDING ACT TO PROVIDE THAT NO SEVERANCE TAX BONDS SHALL BE ISSUED TO BENEFIT PROJECTS LOCATED IN COUNTIES OR MUNICIPALITIES THAT HAVE ENACTED ORDINANCES THAT WOULD RESULT IN A TWENTY-FIVE PERCENT OR MORE INCREASE IN COSTS TO THE EXTRACTIVE INDUSTRIES.

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

SECTION 1. A new section of the Severance Tax Bonding Act is enacted to read:

"[NEW MATERIAL] CERTAIN SEVERANCE TAX BONDS PROHIBITED.--

A. No later than October 1 of each year:

(1) the oil conservation commission shall conduct a hearing to examine ordinances regulating the siting, drilling and operation of wells for the production of oil,

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underscored material = new
[bracketed material] = delete

underscoring material = new
~~[bracketed material]~~ = delete

1 natural gas, carbon dioxide or geothermal resources and
2 identify the municipalities and counties that have enacted
3 ordinances that would increase the cost of drilling or
4 operating a well by twenty-five percent or more than would be
5 incurred without the ordinance;

6 (2) the mining commission shall conduct a
7 hearing to examine ordinances regulating the siting, permitting
8 and operation of mines subject to the jurisdiction of the
9 commission and identify the municipalities and counties that
10 have enacted ordinances that would increase the cost of either
11 permitting or operating a mine by twenty-five percent or more
12 than would be incurred without the ordinance; and

13 (3) the coal surface mining commission shall
14 conduct a hearing to examine ordinances regulating the siting,
15 permitting and operation of coal surface mines and identify the
16 municipalities and counties that have enacted ordinances that
17 would increase the cost of either permitting or operating a
18 coal surface mine by twenty-five percent or more than would be
19 incurred without the ordinance.

20 B. Within ten days after conducting a hearing
21 pursuant to Subsection A of this section, the oil conservation
22 commission, the mining commission and the coal surface mining
23 commission shall notify the state board of finance and the
24 appropriate legislative committee about the municipalities and
25 counties that have enacted ordinances that increase the costs

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underscoring material = new
~~[bracketed material]~~ = delete

1 of extraction as described in Subsection A of this section.

2 C. Notwithstanding the provisions of any law
3 otherwise authorizing the issuance or sale of severance tax
4 bonds, the state board of finance shall neither issue nor sell
5 severance tax bonds to fund a project to be located within the
6 planning and platting jurisdiction of a municipality or the
7 area of a county outside the planning and platting jurisdiction
8 of a municipality if an ordinance of the municipality or county
9 increases the costs of extraction as described in Subsection A
10 of this section."