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AN ACT

RELATING TO STATE REVENUE; DISTRIBUTING REVENUE IN EXCESS OF
A FIVE-YEAR AVERAGE OF MONEY RECEIVED BY THE STATE PURSUANT
TO THE FEDERAL MINERAL LEASING ACT TO THE TAX STABILIZATION
RESERVE.

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

SECTION 1. DISTRIBUTION--TAX STABILIZATION RESERVE FROM
PAYMENTS PURSUANT TO FEDERAL MINERAL LEASING ACT.--

A. If, by June 30 of each fiscal year, the
receipts for that fiscal year of the money received by the
state pursuant to the federal Mineral Leasing Act exceed the
annual average amount, the excess shall be distributed to the
tax stabilization reserve and attributed to that fiscal year.
If there is an excess amount, the distribution shall be made
as soon as practicable. If there is not an excess amount, no
distribution shall be made to the tax stabilization reserve.
The department of finance and administration shall make the
calculation to determine if an excess amount should be
distributed.

B. As used in this section, "annual average
amount" means the total receipts attributable to money
received by the state pursuant to the federal Mineral Leasing
Act in the immediately preceding five fiscal years, divided
by five.

1 SECTION 2. Section 22-8-34 NMSA 1978 (being Laws 1967,
2 Chapter 16, Section 90, as amended) is amended to read:

3 "22-8-34. FEDERAL MINERAL LEASING FUNDS.--

4 A. Money received by the state pursuant to the
5 provisions of the federal Mineral Leasing Act shall be
6 distributed to the public school fund, except as follows:

7 (1) an annual appropriation to the
8 instructional material fund;

9 (2) an annual appropriation to the bureau of
10 geology and mineral resources of the New Mexico institute of
11 mining and technology;

12 (3) the distribution made pursuant to
13 Subsection B of this section; and

14 (4) the distribution made pursuant to
15 Section 1 of this 2019 act.

16 B. Money received by the state as its share of a
17 prepayment of royalties pursuant to 30 U.S.C. 1726(b), as
18 that section may be amended or renumbered, shall be
19 distributed as follows:

20 (1) a portion of the receipts, estimated by
21 the taxation and revenue department to be equal to the amount
22 that the state would have received as its share of royalties
23 in the same fiscal year if the prepayment had not been made,
24 shall be distributed to the public school fund; and

25 (2) the remainder shall be distributed to

1 the common school permanent fund."

2 SECTION 3. EFFECTIVE DATE.--The effective date of the
3 provisions of this act is July 1, 2021. _____

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