

LFC Requester: _____

**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)**

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original Amendment
Correction Substitute

Date Prepared _____

Bill Number: SENATE BILL 23

Sponsor: George Munoz
Short Title: OIL & GAS ROYALTY RATE
CHANGES

Agency Name and Code: DFA-341
Number: _____
Person Writing: Catrina Chavez
Phone: (505)479-1247 Email: Catrina.chavez@dfa.nm.

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Senate Bill 23 (SB23) amends the Oil and Gas Severance Tax Act on state public lands “Development Form of Lease-Premium Restricted "on state trust lands pertaining to future “Oil and Gas Royalty” on land classified as restricted lands and categorized as Premium pursuant to Section 19-10-16 NMSA; 1978: Township inclusive ranges.

This pertains to two forms as follows:

1. Free use without royalty not less than three-sixteenths nor more than one-fourth.
2. Free use without royalty, at the “option” of the lessor at any “time and from time to time”.

The amended form would become effective July 1, 2025.

FISCAL IMPLICATIONS

This amendment enhances the lessor's revenue collection on the land lease. There is no fiscal impact to the state.

SIGNIFICANT ISSUES:

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS:

SB23 requires the State Land Office to amend the form and the State Land Office Commissioner to provide and review the lessor’s application.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

