

HOUSE CONSUMER AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 520

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

AN ACT

RELATING TO SUBSIDIES; PROVIDING FOR THE ISSUANCE OF SUBSIDIES  
TO ELIGIBLE RESIDENTS WHO ARE LOW INCOME TO BE FUNDED BY A  
DISTRIBUTION FROM THE SEVERANCE TAX PERMANENT FUND; CREATING  
THE SUSTAIN THE FAMILIES TRUST FUND AND THE SUSTAIN THE  
FAMILIES SUBSIDY ISSUANCE FUND; MAKING AN APPROPRIATION.

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

**SECTION 1.** Section 7-27-3.3 NMSA 1978 (being Laws 1999,  
Chapter 88, Section 1) is amended to read:

"7-27-3.3. SEVERANCE TAX PERMANENT FUND--ANNUAL  
DISTRIBUTIONS.--The secretary of finance and administration  
shall make annual distributions from the severance tax  
permanent fund in the amount authorized by and calculated  
pursuant to the provisions of Article 8, Section 10 of the  
constitution of New Mexico. One-twelfth of the amount

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1 authorized to be distributed in a fiscal year shall be  
2 distributed each month as follows:

3 A. eight million three hundred thirty-three  
4 thousand three hundred thirty-three dollars (\$8,333,333) to the  
5 sustain the families trust fund; and

6 B. the remainder to the general fund."

7 **SECTION 2. [NEW MATERIAL] SUSTAIN THE FAMILIES TRUST**  
8 **FUND.--**

9 A. The "sustain the families trust fund" is created  
10 as a nonreverting fund in the state treasury. The fund shall  
11 consist of distributions, appropriations, gifts, grants and  
12 donations. Income from investment of the fund shall be  
13 credited to the fund. Money in the fund shall be expended to  
14 provide for the issuance of subsidies pursuant to Section 3 of  
15 this 2025 act.

16 B. The state investment officer, subject to the  
17 approval of the state investment council, shall invest money in  
18 the trust fund:

19 (1) in accordance with the prudent investor  
20 rule set forth in the Uniform Prudent Investor Act; and

21 (2) in consultation with the secretary of  
22 health care authority.

23 C. The state investment officer shall report  
24 quarterly to the legislative finance committee and the state  
25 investment council on the investments made pursuant to this

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underscored material = new  
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1 section. Annually, a report shall be submitted no later than  
 2 October 1 each year to the legislative finance committee, the  
 3 revenue stabilization and tax policy committee and any other  
 4 appropriate interim committees.

5 D. Beginning July 1, 2028 and each July 1  
 6 thereafter, a distribution shall be made from the trust fund to  
 7 the sustain the families subsidy issuance fund in an amount  
 8 equal to the greater of five percent of the average of the  
 9 year-end market values of the trust fund for the immediately  
 10 preceding three calendar years.

11 **SECTION 3. [NEW MATERIAL] SUSTAIN THE FAMILIES SUBSIDY**  
 12 **ISSUANCE FUND--SUBSIDY PAYMENTS--APPLICATION--PROMULGATION OF**  
 13 **RULES.--**

14 A. The "sustain the families subsidy issuance fund"  
 15 is created in the state treasury. The fund consists of  
 16 distributions, appropriations, gifts, grants, donations and  
 17 income from investment of the fund. The health care authority  
 18 shall administer the fund, and money in the fund is  
 19 appropriated to the authority to issue subsidies pursuant to  
 20 this section. The subsidies provided by this section may be  
 21 referred to as the "sustain the families subsidy".  
 22 Expenditures from the fund shall be by warrant of the secretary  
 23 of finance and administration pursuant to vouchers signed by  
 24 the secretary of health care authority or the secretary's  
 25 authorized representative. Any unexpended or unencumbered

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1 balance in the fund at the end of a fiscal year shall revert to  
2 the sustain the families trust fund.

3 B. For each year the subsidies are to be issued, as  
4 determined by Subsection C of this section, eligible residents  
5 shall apply for a subsidy by October 1 of that year to the  
6 health care authority on forms and in a manner required by the  
7 authority. Up to three dependents of a resident who are also  
8 residents shall also be eligible for a subsidy; provided that  
9 only one subsidy shall be issued for each of those dependents;  
10 and provided further that the subsidy shall be issued in the  
11 dependent's name. Applications submitted after October 1 shall  
12 not be considered. The application shall include documentation  
13 of the eligible resident's social security number or individual  
14 tax identification number and evidence that the eligible  
15 resident meets the requirement to receive the subsidy.

16 C. As of the end of a fiscal year, the health care  
17 authority shall calculate the amount of a subsidy, which shall  
18 be in an amount equal to the balance of the fund as of the end  
19 of that fiscal year divided by the number of eligible residents  
20 and dependents; provided that if the amount of a subsidy is  
21 less than one hundred dollars (\$100), no subsidies shall be  
22 issued. In that event, the health care authority shall publish  
23 on the authority's website that no subsidies shall be issued  
24 for that year.

25 D. No later than December 1 of each year in which

1 the subsidies are to be paid, the health care authority shall  
2 issue the subsidies.

3 E. The health care authority shall promulgate rules  
4 to verify eligibility of applicants and for issuing subsidies.

5 F. The health care authority shall compile an  
6 annual report on the subsidy that shall include, for the three  
7 previous years, the number of subsidies issued, the amount of  
8 each subsidy, the annual aggregate cost of subsidies issued,  
9 the estimated annual aggregate cost of the subsidies for the  
10 current and following two years and any other information  
11 necessary to evaluate the subsidy. The authority shall present  
12 the report to the revenue stabilization and tax policy  
13 committee and the legislative finance committee following the  
14 issuance of the subsidies, but in any case no later than  
15 December 15 of each year.

16 G. As used in this section:

17 (1) "dependent" means "dependent" as defined  
18 by Section 152 of the federal Internal Revenue Code of 1986, as  
19 that section may be amended or renumbered, but also includes  
20 any minor child or stepchild of the resident who would be a  
21 dependent for federal income tax purposes if the public  
22 assistance contributing to the support of the child or  
23 stepchild was considered to have been contributed by the  
24 resident;

25 (2) "eligible resident" means an individual

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1 who is not a dependent of another individual, is low income,  
2 has reached or will reach eighteen years of age by the date  
3 subsidies will be issued in a year and who is domiciled in New  
4 Mexico during any part of a calendar year or an individual who  
5 is physically present in this state for one hundred eighty-five  
6 days or more during a calendar year; but any individual, other  
7 than someone who was physically present in the state for one  
8 hundred eighty-five days or more during the calendar year, who,  
9 on or before the last day of the year, changed the individual's  
10 place of abode to a place without this state with the bona fide  
11 intention of continuing actually to abide permanently without  
12 this state is not a resident for periods after that change of  
13 abode; and

14 (3) "low income" means having an annual  
15 household income equal to or less than two hundred percent of  
16 the federal poverty level guidelines published by the United  
17 States department of health and human services.