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AN ACT

RELATING TO SEVERANCE TAX BONDING; PROVIDING FOR A MINIMUM DISTRIBUTION FROM THE SEVERANCE TAX BONDING FUND TO THE SEVERANCE TAX PERMANENT FUND EVERY YEAR FOR TEN YEARS; LIMITING THE AMOUNT OF SUPPLEMENTAL SEVERANCE TAX BONDS OR NOTES ISSUED IN 2023.

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

SECTION 1. Section 7-27-10 NMSA 1978 (being Laws 1961, Chapter 5, Section 8, as amended) is amended to read:

"7-27-10. STATE BOARD OF FINANCE SHALL ISSUE BONDS.--

A. The state board of finance is authorized to issue and sell severance tax bonds within the provisions of the Severance Tax Bonding Act, and no other agency of the state is authorized to issue or sell severance tax bonds.

B. The state board of finance may issue and sell supplemental severance tax bonds within the provisions of the Severance Tax Bonding Act, and no other agency of the state is authorized to issue or sell supplemental severance tax bonds. As a temporary measure for fiscal year 2023, the state board of finance shall not issue and sell more than six hundred eighty-two million two hundred thousand dollars (\$682,200,000) of supplemental severance tax bonds or notes."

SECTION 2. A new section of the Severance Tax Bonding Act, Section 7-27-10.2 NMSA 1978, is enacted to read:

1           "7-27-10.2. TRANSFER TO SEVERANCE TAX PERMANENT FUND  
2 BEFORE DETERMINING BONDING CAPACITY.--On December 31 of each  
3 year from 2023 through 2033, the board of finance division of  
4 the department of finance and administration shall transfer  
5 ninety-two million dollars (\$92,000,000) from the severance  
6 tax bonding fund to the severance tax permanent fund, unless  
7 the state board of finance determines that a lesser transfer  
8 amount is necessary pursuant to Section 7-27-8 NMSA 1978 to  
9 avoid a potential shortfall in debt service obligations."           

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