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SENATE BILL 394

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

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 HAVE AN ONEROUS EFFECT UPON 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. Notwithstanding the provisions of any law otherwise authorizing the issuance of severance tax bonds, no such bonds shall be issued to benefit a project to be located within the planning and platting jurisdiction of a municipality or the area of a county outside the planning and platting

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1 jurisdiction of a municipality if the zoning or other
2 ordinances of the municipality or county have been determined,
3 pursuant to Subsections B and C of this section, to have an
4 onerous effect upon the extractive industries.

5 B. Pursuant to the following provisions, no later
6 than December 1 of each year, the oil conservation commission,
7 the mining commission and the coal surface mining commission
8 shall each hold a hearing to determine the municipalities and
9 counties that have zoning or other ordinances that have an
10 onerous effect upon the extractive industries:

11 (1) the oil conservation commission shall
12 examine the ordinances regulating the siting, drilling and
13 operation of wells for the production of oil, natural gas,
14 carbon dioxide or geothermal resources and identify the
15 municipalities and counties that have ordinances that would
16 increase the cost of either drilling or operating a well by
17 fifty percent or more over the drilling or operating costs that
18 would be incurred without the ordinance;

19 (2) the mining commission shall examine the
20 ordinances regulating the siting, permitting and operation of
21 mines subject to the jurisdiction of the commission and
22 identify the municipalities and counties that have ordinances
23 that would increase the cost of either permitting or operating
24 a mine by fifty percent or more over the permitting or
25 operating costs that would be incurred without the ordinance;

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1 and

2 (3) the coal surface mining commission shall
3 examine the ordinances regulating the siting, permitting and
4 operation of coal surface mines and identify the municipalities
5 and counties that have ordinances that would increase the cost
6 of either permitting or operating a coal surface mine by fifty
7 percent or more over the permitting or operating costs that
8 would be incurred without the ordinance.

9 C. Within ten days after a hearing conducted
10 pursuant to Subsection B of this section, the oil conservation
11 commission, the mining commission and the coal surface mining
12 commission shall notify each legislator of the municipalities
13 and counties that have been identified pursuant to that
14 subsection, and, pursuant to Subsection A of this section,
15 those municipalities and counties shall be ineligible for
16 projects funded with severance tax bond proceeds."

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