

1 SENATE BILL 223

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

3 INTRODUCED BY

4 William P. Soules and Mimi Stewart

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10 AN ACT

11 RELATING TO PUBLIC FINANCE; PROVIDING THAT A DISTRIBUTION OF
12 REVENUE FROM THE OIL AND GAS EMERGENCY SCHOOL TAX WILL BE MADE
13 TO THE TAX STABILIZATION RESERVE ONLY WHEN STATE RESERVE FUNDS
14 ARE AT CERTAIN LEVELS.

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

17 SECTION 1. Section 7-1-6.61 NMSA 1978 (being Laws 2017
18 (1st S.S.), Chapter 3, Section 3) is amended to read:

19 "7-1-6.61. DISTRIBUTION--TAX STABILIZATION RESERVE FROM
20 THE OIL AND GAS EMERGENCY SCHOOL TAX.--

21 A. A distribution pursuant to Section 7-1-6.20 NMSA
22 1978 shall be made to the tax stabilization reserve in an
23 amount [as] calculated [~~pursuant to Subsection B of this~~
24 ~~section.~~

25 B. ~~if~~] as follows; provided that the year-to-date

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underscored material = new
[bracketed material] = delete

underscored material = new
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1 amount plus the current net receipts exceeds the annual average
2 amount. [~~the excess, shall be distributed to the tax~~
3 ~~stabilization reserve. If there is not an excess amount, no~~
4 ~~distribution shall be made to the tax stabilization reserve.~~
5 ~~Each month the department shall make the calculation to~~
6 ~~determine if an excess amount should be distributed] If the
7 balance in the state reserve funds in the current fiscal year
8 prior to the distribution is:~~

9 (1) less than twenty percent of the aggregate
10 recurring appropriations for the current fiscal year, one
11 hundred percent of the excess shall be distributed;

12 (2) greater than or equal to twenty percent
13 but less than twenty-five percent of the aggregate recurring
14 appropriations for the current fiscal year, fifty percent of
15 the excess shall be distributed;

16 (3) greater than or equal to twenty-five
17 percent but less than thirty percent of the aggregate recurring
18 appropriations for the current fiscal year, twenty-five percent
19 of the excess shall be distributed; and

20 (4) greater than or equal to thirty percent of
21 the aggregate recurring appropriations for the current fiscal
22 year, none of the excess shall be distributed.

23 B. The department of finance and administration
24 shall make the calculation to determine if an excess amount
25 should be distributed.

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underscored material = new
[bracketed material] = delete

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C. As used in this section:

(1) "annual average amount" means the total net receipts attributable to the tax imposed pursuant to Section 7-31-4 NMSA 1978 and distributed pursuant to Section 7-1-6.20 NMSA 1978 in the immediately preceding five fiscal years, divided by five;

(2) "state reserve funds" means the general fund balances, including all authorized revenues and transfers to the general fund and balances in the appropriation contingency fund, the general fund operating reserve, the tax stabilization reserve, the tobacco settlement permanent fund and the state-support reserve fund; and

~~[(2)]~~ (3) "year-to-date amount" means the cumulative year-to-date net receipts attributable to the tax imposed pursuant to Section 7-31-4 NMSA 1978 and distributed to the general fund in the prior months of the current fiscal year."

SECTION 2. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2020.