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AN ACT

RELATING TO JUDICIAL RETIREMENT; PROVIDING FOR A DISTRIBUTION PURSUANT TO THE OIL AND GAS PROCEEDS AND PASS-THROUGH ENTITY WITHHOLDING TAX ACT TO THE JUDICIAL RETIREMENT FUND AND TO THE MAGISTRATE RETIREMENT FUND; DELAYING FURTHER DISTRIBUTIONS TO THE LEGISLATIVE RETIREMENT FUND UNTIL FISCAL YEAR 2026.

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

SECTION 1. Section 7-1-6.43 NMSA 1978 (being Laws 2003, Chapter 86, Section 1, as amended) is amended to read:

"7-1-6.43. DISTRIBUTION--OIL AND GAS PROCEEDS AND PASS-THROUGH ENTITY WITHHOLDING TAX--MAGISTRATE RETIREMENT FUND-- JUDICIAL RETIREMENT FUND--LEGISLATIVE RETIREMENT FUND.--

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 from the net receipts attributable to the amount of tax deducted pursuant to the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act shall be made as follows:

(1) to the magistrate retirement fund in the amount of one hundred thousand dollars (\$100,000);

(2) to the judicial retirement fund in the amount of one hundred thousand dollars (\$100,000); and

(3) on and after July 1, 2025, to the legislative retirement fund in the amount of seventy-five thousand dollars (\$75,000) or, if larger, in an amount equal

1 to one-twelfth of the amount necessary to pay out the
2 retirement benefits due under state legislator member
3 coverage plan 2 and Paragraph (2) of Subsection C of Section
4 10-11-41 NMSA 1978 for the succeeding calendar year.

5 B. In regard to the distributions to the
6 magistrate retirement fund and the judicial retirement fund,
7 in December 2024 and in each December thereafter, the public
8 employees retirement association, with the assistance of the
9 administrative office of the courts, shall determine the
10 funded ratio of each fund as of the end of the preceding
11 fiscal year. If the funded ratio of the magistrate
12 retirement fund for the preceding fiscal year is equal to or
13 greater than one hundred percent, the association shall
14 notify the department, and no further distributions pursuant
15 to Paragraph (1) of Subsection A of this section shall be
16 made. If the funded ratio of the judicial retirement fund
17 for the preceding fiscal year is equal to or greater than one
18 hundred percent, the association shall notify the department,
19 and no further distributions pursuant to Paragraph (2) of
20 Subsection A of this section shall be made.

21 C. In regard to the distribution to the
22 legislative retirement fund, in December 2024 and in each
23 December thereafter, the public employees retirement
24 association, with the assistance of the legislative council
25 service, shall determine the amount of retirement benefits

1 for the succeeding calendar year. If the monthly average
2 exceeds seventy-five thousand dollars (\$75,000), the
3 association shall immediately notify the department of the
4 average amount."

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

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