

LFC Requester:

Ismael Torres

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original X **Amendment** _____
Correction _____ **Substitute** _____

Date Prepared: 01/30/2024

Bill No: SB 217

Sponsor: Sen. N. Rodriguez

Short Title: SEVERANCE TAX
BOND FUND
DISTRIBUTIONS

Agency Name and Code Number: 305 – New Mexico
Department of Justice

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Senate Bill (“SB”) 217 relates to the issuance of severance tax bonds as outlined in NMSA 1978, Section 7-27-10 establishing conditions for the expenditure of supplemental severance tax bond proceeds and conditions for the reversion of unexpended balances.

SB 217 proposes adding Section 7-27-10(C) which would authorize only the State Board of Finance (SBOF) to issue and sell supplemental severance tax bonds. The amount would be limited for Fiscal Year 2024.

SB 217 also proposes the addition of Section 7-27-10.3 that provides for reversion of certain appropriated funds on December 31st of each year.

FISCAL IMPLICATIONS

None to this office.

SIGNIFICANT ISSUES

SB 217 has duplicative language proposals. Proposed section 7-27-10(C) is duplicative language to Section 7-27-10(B), except for the Fiscal Year stated and dollar amount. Prior 2023 legislation updated this language to the current dollar amount and year of 2023.

SB 101 proposed language addition of Section 7-27-10.3 is similar to the language in Section 7-27-10.2, other than the years (“2023 to 2033” vs. “2024 to 2034”) and dollar (USD\$) amount. It could be beneficial to replace the outdated language and amend the Section 7-27-10.2 to reflect the proposed language in SB 101 Section 7-27-10.3. With the additional language there could be a question of whether 7-27-10.2 and 7-27-10.3 could be read in conflict or in conjunction with one another.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

AMENDMENTS

It could be beneficial to replace the language and amend the Section 7-27-10(B) to reflect the proposed language in SB 101 Section 7-27-10(C).

It could be beneficial to replace the language and amend Section 7-27-10.2 to reflect the proposed language in SB 101 Section 7-27-10.3.