

1 SENATE BILL 217

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

3 INTRODUCED BY

4 Nancy Rodriguez

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10 AN ACT

11 RELATING TO SEVERANCE TAX BONDING; PROVIDING FOR A MINIMUM
12 DISTRIBUTION FROM THE SEVERANCE TAX BONDING FUND TO THE
13 SEVERANCE TAX PERMANENT FUND EVERY YEAR FOR TEN YEARS; LIMITING
14 THE AMOUNT OF SUPPLEMENTAL SEVERANCE TAX BONDS OR NOTES ISSUED
15 IN 2024.

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

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

20 "7-27-10. STATE BOARD OF FINANCE SHALL ISSUE BONDS.--

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

25 B. The state board of finance may issue and sell

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

8 C. The state board of finance may issue and sell
9 supplemental severance tax bonds within the provisions of the
10 Severance Tax Bonding Act, and no other agency of the state is
11 authorized to issue or sell supplemental severance tax bonds.
12 As a temporary measure for fiscal year 2024, the state board of
13 finance shall not issue and sell more than seven hundred
14 fifty-seven million dollars (\$757,000,000) of supplemental
15 severance tax bonds or notes."

16 SECTION 2. A new section of the Severance Tax Bonding
17 Act, Section 7-27-10.3 NMSA 1978, is enacted to read:

18 "7-27-10.3. [NEW MATERIAL] TRANSFER TO SEVERANCE TAX
19 PERMANENT FUND BEFORE DETERMINING BONDING CAPACITY.--On
20 December 31 of each year from 2024 through 2034, the board of
21 finance division of the department of finance and
22 administration shall transfer eighty-two million five hundred
23 thirty thousand dollars (\$82,530,000) from the severance tax
24 bonding fund to the severance tax permanent fund, unless the
25 state board of finance determines that a lesser transfer amount

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1 is necessary pursuant to Section 7-27-8 NMSA 1978 to avoid a
2 potential shortfall in debt service obligations."

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