

1 SENATE BILL 326

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 Stuart Ingle

5  
6  
7  
8  
9  
10 AN ACT

11 RELATING TO PUBLIC FINANCE; PROVIDING FOR INCREASED  
12 DISTRIBUTIONS TO THE SEVERANCE TAX PERMANENT FUND BY PHASING IN  
13 REDUCTIONS TO SUPPLEMENTAL SEVERANCE TAX BONDING CAPACITY.

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

16 SECTION 1. Section 7-27-14 NMSA 1978 (being Laws 1961,  
17 Chapter 5, Section 11, as amended) is amended to read:

18 "7-27-14. AMOUNT OF TAX--SECURITY FOR BONDS.--

19 A. The legislature shall provide for the continued  
20 assessment, levy, collection and deposit into the severance tax  
21 bonding fund of the tax or taxes upon natural resource products  
22 severed and saved from the soil of the state that, together  
23 with such other income as may be deposited to the fund, will be  
24 sufficient to produce an amount that is at least the amount  
25 necessary to meet annual debt service charges on all

.199100.2

underscored material = new  
~~[bracketed material] = delete~~

1 outstanding severance tax bonds and supplemental severance tax  
2 bonds.

3 B. Except as otherwise specifically provided by  
4 law, the state board of finance shall issue no severance tax  
5 bonds unless the aggregate amount of severance tax bonds  
6 outstanding, and including the issue proposed, can be serviced  
7 with not more than fifty percent of the annual deposits into  
8 the severance tax bonding fund, as determined by the deposits  
9 during the preceding fiscal year.

10 C. The state board of finance shall issue no  
11 supplemental severance tax bonds with a term that extends  
12 beyond the fiscal year in which the bonds are issued unless the  
13 aggregate amount of severance tax bonds and supplemental  
14 severance tax bonds outstanding, and including the issue  
15 proposed, can be serviced with not more than sixty-two and  
16 one-half percent of the annual deposits into the severance tax  
17 bonding fund, as determined by the deposits during the  
18 preceding fiscal year.

19 D. Except as otherwise specifically provided by  
20 law, the state board of finance may issue supplemental  
21 severance tax bonds with a term that does not extend beyond the  
22 fiscal year in which they are issued if the debt service on  
23 such supplemental severance tax bonds when added to the debt  
24 service previously paid or scheduled to be paid during that  
25 fiscal year on severance tax bonds and supplemental severance

.199100.2

underscored material = new  
[bracketed material] = delete

1 tax bonds does not exceed [~~ninety-five percent~~] the following  
2 percentages of the average of the deposits into the severance  
3 tax bonding fund during the [~~preceding~~] current fiscal year as  
4 estimated by the division and the deposits into the severance  
5 tax bonding fund for each of the immediately preceding four  
6 fiscal years:

7 (1) for fiscal year 2016, ninety-five percent;

8 (2) for fiscal year 2017, ninety-three  
9 percent;

10 (3) for fiscal year 2018, ninety-one percent;

11 (4) for fiscal year 2019, eighty-nine percent;

12 (5) for fiscal year 2020, eighty-seven  
13 percent; and

14 (6) for fiscal year 2021 and each subsequent  
15 fiscal year, eighty-five percent.

16 E. The provisions of this section shall not be  
17 modified by the terms of any severance tax bonds or  
18 supplemental severance tax bonds hereafter issued.

19 F. For the purposes of this section, "division"  
20 means the board of finance division of the department of  
21 finance and administration."

22 SECTION 2. EFFECTIVE DATE.--The effective date of the  
23 provisions of this act is July 1, 2015.

24 - 3 -

25