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SENATE BILL 155

**55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022**

INTRODUCED BY

George K. Munoz

AN ACT

RELATING TO STATE FUNDS; CREATING THE ECONOMIC DIVERSIFICATION AND CLIMATE RESILIENCE FUND; TRANSFERRING A PORTION OF THE REMAINING BALANCE OF THE EXTRACTION TAXES SUSPENSE FUND, AFTER NECESSARY DISTRIBUTIONS AND TRANSFERS ARE MADE, TO THE ECONOMIC DIVERSIFICATION AND CLIMATE RESILIENCE FUND.

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

SECTION 1. A new section of Chapter 6, Article 4 NMSA 1978 is enacted to read:

"[NEW MATERIAL] ECONOMIC DIVERSIFICATION AND CLIMATE RESILIENCE FUND.--

A. The "economic diversification and climate resilience fund" is created as a nonreverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants and donations to the fund.

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1           B. Money in the fund is subject to appropriation by  
2 the legislature for the following purposes:

3                   (1) economic development efforts designed to  
4 attract investments and job creation from key sectors,  
5 including intelligent manufacturing, aerospace, defense,  
6 microelectronics, cybersecurity, biosciences, renewable energy  
7 and sustainable agriculture;

8                   (2) workforce training and development;

9                   (3) public works infrastructure improvements  
10 necessary to attract business development and enhance supply  
11 chains;

12                   (4) projects to support conservation,  
13 restoration, remediation and improvements of public lands,  
14 forests, watersheds, parks and trails; and

15                   (5) any other efforts to promote long-term  
16 economic growth, diversify the state economy or reduce state  
17 revenue reliance on fossil fuel development.

18           C. Upon request by the legislative finance  
19 committee, an agency that receives an appropriation from the  
20 fund for economic diversification purposes shall report to the  
21 committee the impact to the state of the appropriation."

22           SECTION 2. Section 7-1-6.20 NMSA 1978 (being Laws 1985,  
23 Chapter 65, Section 6, as amended) is amended to read:

24           "7-1-6.20. IDENTIFICATION OF MONEY IN EXTRACTION TAXES  
25 SUSPENSE FUND--DISTRIBUTION.--

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1           A. Except as provided in Subsection B of this  
2 section, after the necessary disbursements have been made from  
3 the extraction taxes suspense fund, the money remaining in the  
4 suspense fund as of the last day of the month shall be  
5 identified by tax source and distributed or transferred in  
6 accordance with the provisions of Sections 7-1-6.21 through  
7 7-1-6.23 and 7-1-6.61 NMSA 1978. After the necessary  
8 distributions and transfers, any balance, except for  
9 remittances unidentified as to source or disposition, shall be  
10 transferred to the general fund.

11           B. Payments on assessments issued by the department  
12 pursuant to the Oil and Gas Conservation Tax Act, the Oil and  
13 Gas Emergency School Tax Act, the Oil and Gas Ad Valorem  
14 Production Tax Act and the Oil and Gas Severance Tax Act shall  
15 be held in the extraction taxes suspense fund until the  
16 secretary determines that there is no substantial risk of  
17 protest or other litigation, whereupon after the necessary  
18 disbursements have been made from the extraction taxes suspense  
19 fund, the money remaining in the suspense fund as of the last  
20 day of the month attributed to these payments shall be  
21 identified by tax source and distributed or transferred in  
22 accordance with the provisions of Sections 7-1-6.21 through  
23 7-1-6.23 and 7-1-6.61 NMSA 1978. After the necessary  
24 distributions and transfers, any balance, except for remittance  
25 unidentified as to source or disposition, shall be transferred

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as follows:

(1) fifty percent to the economic  
diversification and climate resilience fund; and

(2) fifty percent to the general fund."

**SECTION 3. EFFECTIVE DATE.**--The effective date of the  
provisions of Section 2 of this act is July 1, 2022.