

1 SENATE BILL 59

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

4 Mimi Stewart

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10 AN ACT

11 RELATING TO RESERVE FUNDS; INCREASING THE AMOUNT OF MONEY IN  
12 EXCESS OF APPROPRIATIONS THAT MUST BE IN THE GENERAL FUND  
13 BEFORE A PORTION OF THE EXCESS IS TRANSFERRED TO THE TAX  
14 STABILIZATION RESERVE; CHANGING THE FUND THAT THE BALANCE OF  
15 THE EXCESS EXTRACTION TAXES SUSPENSE FUND IS TRANSFERRED TO  
16 EACH YEAR FROM THE TAX STABILIZATION RESERVE TO THE GENERAL  
17 FUND OPERATING RESERVE.

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

20 SECTION 1. Section 6-4-4 NMSA 1978 (being Laws 1987,  
21 Chapter 347, Section 4, as amended) is amended to read:

22 "6-4-4. TRANSFERS BETWEEN GENERAL FUND RESERVES.--

23 A. For the seventy-seventh and subsequent fiscal  
24 years, if the revenues of the general fund exceed the total of  
25 appropriations from the general fund, the excess revenue shall

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1 be transferred to the general fund operating reserve; provided  
2 that if the sum of the excess revenue plus the balance in the  
3 general fund operating reserve prior to the transfer is greater  
4 than ~~[eight]~~ fifteen percent of the aggregate recurring  
5 appropriations from the general fund for the previous fiscal  
6 year, then an amount equal to the smaller of either the amount  
7 of the excess revenue or the difference between the sum and  
8 ~~[eight]~~ fifteen percent of the aggregate recurring  
9 appropriations from the general fund for the previous fiscal  
10 year shall be transferred to the tax stabilization reserve.

11 B. If the balance in the general fund operating  
12 reserve as of the end of a fiscal year is less than one percent  
13 of aggregate general fund appropriations for that fiscal year,  
14 as determined by the department of finance and administration,  
15 then an amount equal to the smaller of either one percent of  
16 aggregate general fund appropriations for that fiscal year or  
17 the amount necessary to bring the balance of the general fund  
18 operating reserve to one percent of aggregate general fund  
19 appropriations for that fiscal year shall be transferred from  
20 the tax stabilization reserve to the general fund operating  
21 reserve."

22 SECTION 2. Section 6-4-27 NMSA 1978 (being Laws 2020,  
23 Chapter 3, Section 4) is amended to read:

24 "6-4-27. EXCESS EXTRACTION TAXES SUSPENSE FUND--TRANSFER  
25 OF EXCESS OIL AND GAS EMERGENCY SCHOOL TAX REVENUE--[TAX

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1 ~~STABILIZATION]~~ GENERAL FUND OPERATING RESERVE--EARLY CHILDHOOD  
2 EDUCATION AND CARE FUND.--

3 A. The "excess extraction taxes suspense fund" is  
4 created as a nonreverting fund in the state treasury. Money in  
5 the fund shall only be used to make transfers by the department  
6 of finance and administration as required by this section.

7 B. At the end of each fiscal year, the department  
8 of finance and administration shall transfer the balance of the  
9 fund attributable to that fiscal year as follows:

10 (1) to the [~~tax stabilization~~] general fund  
11 operating reserve, the amount necessary to bring the balance of  
12 state reserves to a level equal to twenty-five percent of the  
13 aggregate recurring appropriations for that fiscal year from  
14 the general fund, as determined by the department; provided  
15 that, if the balance in the excess extraction taxes suspense  
16 fund is not sufficient to meet that level, the entire balance  
17 shall be transferred to the [~~tax stabilization~~] general fund  
18 operating reserve; and

19 (2) to the early childhood education and care  
20 fund, the balance remaining in the excess extraction taxes  
21 suspense fund, if any, after the transfer is made pursuant to  
22 Paragraph (1) of this subsection.

23 C. As used in this section, "state reserves" means  
24 the general fund balances, as determined by the department of  
25 finance and administration, including all authorized revenues

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1 and transfers to the general fund and balances in the  
2 appropriation contingency fund, the general fund operating  
3 reserve, the state-support reserve fund, the tax stabilization  
4 reserve and the tobacco settlement permanent fund."

5 SECTION 3. EFFECTIVE DATE.--The effective date of the  
6 provisions of this act is July 1, 2021.

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