



# State of New Mexico

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GOVERNOR'S OFFICE  
MARCH 5 2024

Michelle Lujan Grisham  
Governor

March 5, 2024

## SENATE EXECUTIVE MESSAGE NO. 71

The Honorable Mimi Stewart, President Pro Tempore  
and Members of the New Mexico State Senate  
State Capitol Building  
Santa Fe, New Mexico 87501

President Pro Tempore Stewart and Members of the Senate:

I have decided to veto SENATE BILL 217, as amended, which would have, *inter alia*, directed approximately \$82 million to be distributed annually from the Severance Tax Bonding Fund to the Severance Tax Permanent Fund for ten years. Given the recent enactment of legislation making substantial distributions to the Severance Tax Permanent Fund, *see, e.g.*, S.B. 378, 56th Leg., 1st Sess. (N.M. 2023), I am not convinced this legislation is necessary at this time. It is important we continue to save for the future; and we have been doing a lot of good work in this area, the results of which I would like to see more fully realized before making additional distributions. Accordingly, I have vetoed SENATE BILL 217, as amended, enacted by the Fifty-Sixth Legislature, Second Session, 2024, pursuant to my authority under Article IV, Section 22 of the New Mexico Constitution.

Respectfully yours,

Michelle Lujan Grisham  
Governor

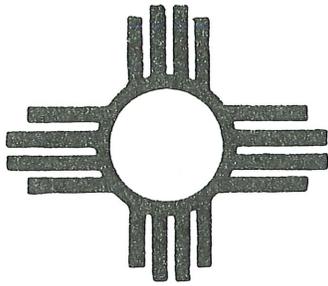
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Time: 1:22 a.m. p.m.  
Date: MARCH 5, 2024

By Char R  
fo Secretary of State

Time: \_\_\_\_\_ a.m. p.m.  
Date: \_\_\_\_\_ 2024

By \_\_\_\_\_  
Chief Clerk of the Senate



The Legislature  
of the  
State of New Mexico

56th Legislature, 2nd Session

LAWS 2024

CHAPTER

SENATE BILL 217, as amended

Introduced by

SENATOR NANCY RODRIGUEZ



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AN ACT

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

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

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

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

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

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

C. The state board of finance may issue and sell supplemental severance tax bonds within the provisions of the

1 Severance Tax Bonding Act, and no other agency of the state  
2 is authorized to issue or sell supplemental severance tax  
3 bonds. As a temporary measure for fiscal year 2024, the  
4 state board of finance shall not issue and sell more than  
5 seven hundred fifty-seven million dollars (\$757,000,000) of  
6 supplemental severance tax bonds or notes."

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

9 "7-27-10.3. TRANSFER TO SEVERANCE TAX PERMANENT FUND  
10 BEFORE DETERMINING BONDING CAPACITY.--On December 31 of each  
11 year from 2024 through 2033, the board of finance division of  
12 the department of finance and administration shall transfer  
13 eighty-two million dollars (\$82,000,000) from the severance  
14 tax bonding fund to the severance tax permanent fund, unless  
15 the state board of finance determines that a lesser transfer  
16 amount is necessary pursuant to Section 7-27-8 NMSA 1978 to  
17 avoid a potential shortfall in debt service obligations."

s/Howie C. Morales  
Howie C. Morales, President  
Senate

s/Cheri D. Lujan  
Cheri D. Lujan, Chief Clerk  
Senate

s/Javier Martínez  
Javier Martínez, Speaker  
House of Representatives

s/Lisa M. Ortiz McCutcheon  
Lisa M. Ortiz McCutcheon, Chief Clerk  
House of Representatives

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2024

s/Governor Michelle Lujan Grisham  
Governor Michelle Lujan Grisham  
State of New Mexico