

1 SENATE BILL 138

2 57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

3 INTRODUCED BY

4 George K. Muñoz

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10 AN ACT

11 RELATING TO TAXATION; REMOVING DISTRIBUTIONS FROM THE OIL AND
12 GAS PROCEEDS AND PASS-THROUGH ENTITY WITHHOLDING TAX ACT TO THE
13 MAGISTRATE RETIREMENT FUND AND JUDICIAL RETIREMENT FUND.

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

16 SECTION 1. Section 7-1-6.43 NMSA 1978 (being Laws 2003,
17 Chapter 86, Section 1, as amended) is amended to read:

18 "7-1-6.43. DISTRIBUTION--OIL AND GAS PROCEEDS AND PASS-
19 THROUGH ENTITY WITHHOLDING TAX--~~[MAGISTRATE RETIREMENT FUND--~~
20 ~~JUDICIAL RETIREMENT FUND]~~ LEGISLATIVE RETIREMENT FUND.--~~[A.]~~ A
21 distribution pursuant to Section 7-1-6.1 NMSA 1978 from the net
22 receipts attributable to the amount of tax deducted pursuant to
23 the Oil and Gas Proceeds and Pass-Through Entity Withholding
24 Tax Act shall be made ~~[as follows:~~

25 ~~(1) to the magistrate retirement fund in the~~

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1 ~~amount of one hundred thousand dollars (\$100,000);~~

2 ~~(2) to the judicial retirement fund in the~~
3 ~~amount of one hundred thousand dollars (\$100,000); and~~

4 ~~(3) on and after July 1, 2025]~~ to the
5 legislative retirement fund in the amount of seventy-five
6 thousand dollars (\$75,000) or, if larger, in an amount equal to
7 one-twelfth of the amount necessary to pay out the retirement
8 benefits due under state legislator member coverage plan 2 and
9 Paragraph (2) of Subsection C of Section 10-11-41 NMSA 1978 for
10 the succeeding calendar year.

11 ~~[B. In regard to the distributions to the~~
12 ~~magistrate retirement fund and the judicial retirement fund, in~~
13 ~~December 2024 and in each December thereafter, the public~~
14 ~~employees retirement association, with the assistance of the~~
15 ~~administrative office of the courts, shall determine the funded~~
16 ~~ratio of each fund as of the end of the preceding fiscal year.~~
17 ~~If the funded ratio of the magistrate retirement fund for the~~
18 ~~preceding fiscal year is equal to or greater than one hundred~~
19 ~~percent, the association shall notify the department, and no~~
20 ~~further distributions pursuant to Paragraph (1) of Subsection A~~
21 ~~of this section shall be made. If the funded ratio of the~~
22 ~~judicial retirement fund for the preceding fiscal year is equal~~
23 ~~to or greater than one hundred percent, the association shall~~
24 ~~notify the department, and no further distributions pursuant to~~
25 ~~Paragraph (2) of Subsection A of this section shall be made.~~

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~~G. In regard to the distribution to the legislative retirement fund, in December 2024 and in each December thereafter, the public employees retirement association, with the assistance of the legislative council service, shall determine the amount of retirement benefits for the succeeding calendar year. If the monthly average exceeds seventy-five thousand dollars (\$75,000), the association shall immediately notify the department of the average amount.]"~~