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SENATE BILL 18

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Dede Feldman

AN ACT

RELATING TO ALTERNATIVE FUELS; EXEMPTING DEDICATED ALTERNATIVE FUEL VEHICLES AND GAS-ELECTRIC HYBRID VEHICLES FROM THE MOTOR VEHICLE EXCISE TAX; LOWERING ALTERNATIVE FUEL EXCISE TAX RATES FOR CERTAIN PERIODS; SETTING REQUIREMENTS FOR THE PURCHASE BY STATE AGENCIES AND POST-SECONDARY EDUCATIONAL INSTITUTIONS OF VEHICLES CAPABLE OF OPERATING ON ALTERNATIVE FUEL; AMENDING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-14-6 NMSA 1978 (being Laws 1988, Chapter 73, Section 16, as amended) is amended to read:

"7-14-6. EXEMPTIONS FROM TAX. --

A. Persons who acquire a vehicle out of state thirty or more days before establishing a domicile in this state are exempt from the tax if the vehicle was acquired for

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1 personal use.

2 B. Persons applying for a certificate of title for
3 a vehicle registered in another state are exempt from the tax
4 if they have previously registered and titled the vehicle in
5 New Mexico and have owned the vehicle continuously since that
6 time.

7 C. Certificates of title for all vehicles owned by
8 this state or any political subdivision are exempt from the
9 tax.

10 D. A vehicle subject to registration under Section
11 66-3-16 NMSA 1978 is exempt from the tax.

12 E. Persons who acquire vehicles for subsequent
13 lease shall be exempt from the tax if:

14 (1) the person does not use the vehicle in
15 any manner other than holding it for lease or sale or leasing
16 or selling it in the ordinary course of business;

17 (2) the lease is for a term of more than six
18 months;

19 (3) the receipts from the subsequent lease
20 are subject to the gross receipts tax; and

21 (4) the vehicle does not have a gross vehicle
22 weight of over twenty-six thousand pounds.

23 F. For the period from July 1, 2001 through
24 December 31, 2007, dedicated alternative fuel vehicles and
25 gas-electric hybrid vehicles are exempt from the tax. For the

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1 purposes of this subsection:

2 (1) "alternative fuel" means natural gas,
3 liquefied petroleum gas, electricity, hydrogen, a fuel mixture
4 containing not less than eighty-five percent ethanol or
5 methanol or a water-phased hydrocarbon fuel emulsion
6 consisting of a hydrocarbon base and water in an amount not
7 less than twenty percent by volume of the total water-phased
8 fuel emulsion; and

9 (2) "vehicle" means a passenger car or light,
10 medium or heavy duty truck."

11 Section 2. Section 7-16B-4 NMSA 1978 (being Laws 1995,
12 Chapter 16, Section 4) is amended to read:

13 "7-16B-4. IMPOSITION AND RATE OF TAX--DENOMINATION AS
14 ALTERNATIVE FUEL EXCISE TAX.--

15 A. For the privilege of distributing alternative
16 fuel in this state, there is imposed an excise tax at a rate
17 provided in Subsection C of this section on each gallon of
18 alternative fuel distributed in New Mexico.

19 B. The tax imposed by this section may be called
20 the "alternative fuel excise tax".

21 C. For each gallon of alternative fuel distributed
22 in New Mexico, the tax imposed by Subsection A of this section
23 shall be:

24 (1) for the period beginning January 1,
25 [1996] 2002 and ending December 31, [1997] 2003, three cents
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1 (\$0.03) per gallon;

2 (2) for the period beginning January 1,
3 [~~1998~~] 2004 and ending December 31, [~~1999~~] 2005, six cents
4 (\$0.06) per gallon;

5 (3) for the period beginning January 1,
6 [~~2000~~] 2006 and ending December 31, [~~2001~~] 2007, nine cents
7 (\$0.09) per gallon; and

8 (4) for the period beginning January 1,
9 [~~2002~~] 2008 and thereafter, twelve cents (\$0.12) per gallon.

10 D. In lieu of the rates provided in Subsection C
11 of this section, any user who registers, owns or operates a
12 motor vehicle whose gross vehicle weight does not exceed
13 fifty-four thousand pounds that is propelled by alternative
14 fuel may pay the alternative fuel excise tax on an annual
15 basis as follows:

16 (1) for the period beginning January 1,
17 [~~1996~~] 2002 and ending December 31, [~~1997~~] 2003, the following
18 schedule shall apply:

Gross Vehicle Weight	Annual Tax
0 to 6,000 pounds	\$ 15.00
6,001 to 16,000 pounds	25.00
16,001 to 26,000 pounds	75.00
26,001 to 40,000 pounds	175.00
40,001 to 54,000 pounds	275.00;

25 (2) for the period beginning January 1,

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1 [1998] 2004 and ending December 31, [1999] 2005, the following
2 schedule shall apply:

3	Gross Vehicle Weight	Annual Tax
4	0 to 6,000 pounds	\$ 30.00
5	6,001 to 16,000 pounds	50.00
6	16,001 to 26,000 pounds	150.00
7	26,001 to 40,000 pounds	350.00
8	40,001 to 54,000 pounds	550.00;

9 (3) for the period beginning January 1,
10 [2000] 2006 and ending December 31, [2001] 2007, the following
11 schedule shall apply:

12	Gross Vehicle Weight	Annual Tax
13	0 to 6,000 pounds	\$ 45.00
14	6,001 to 16,000 pounds	75.00
15	16,001 to 26,000 pounds	225.00
16	26,001 to 40,000 pounds	525.00
17	40,001 to 54,000 pounds	825.00; and

18 (4) for the period beginning January 1,
19 [2002] 2008 and thereafter, the following schedule shall
20 apply:

21	Gross Vehicle Weight	Annual Tax
22	0 to 6,000 pounds	\$ 60.00
23	6,001 to 16,000 pounds	100.00
24	16,001 to 26,000 pounds	300.00
25	26,001 to 40,000 pounds	700.00

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1 40,001 to 54,000 pounds 1,100.00.

2 E. To facilitate administration of the Alternative
3 Fuel Tax Act, the annual tax provided for in Subsection D of
4 this section may be prorated for periods of less than one year
5 at the discretion of the secretary.

6 F. Alternative fuel purchased for distribution
7 shall not be subject to the alternative fuel excise tax at the
8 time of purchase or acquisition, but the tax shall be due on
9 any alternative fuel at the time it is dispensed or delivered
10 into the supply tank of a motor vehicle that is operated on
11 the highways of this state."

12 Section 3. Section 13-1-188 NMSA 1978 (being Laws 1984,
13 Chapter 65, Section 161) is amended to read:

14 "13-1-188. PUBLIC PURCHASES OF AMERICAN-MADE MOTOR
15 VEHICLES REQUIRED. -- ~~Any~~ A state agency shall only purchase
16 cars and trucks assembled in North America, except for
17 vehicles capable of operating on alternative fuel or gas-
18 electric hybrid vehicles. For the purpose of this section:

19 A. "alternative fuel" means natural gas, liquefied
20 petroleum gas, electricity, hydrogen, a fuel mixture
21 containing not less than eighty-five percent ethanol or
22 methanol or a water-phased hydrocarbon fuel emulsion
23 consisting of a hydrocarbon base and water in an amount not
24 less than twenty percent by volume of the total water-phased
25 fuel emulsion; and

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1 B. "vehicle" means a passenger car or light,
2 medium or heavy duty truck."

3 Section 4. Section 13-1B-1 NMSA 1978 (being Laws 1992,
4 Chapter 58, Section 1) is amended to read:

5 "13-1B-1. SHORT TITLE. -- [~~Sections 1 through 7 of this~~
6 ~~act]~~ Chapter 13, Article 1B NMSA 1978 may be cited as the
7 "Alternative Fuel Conversion Act". "

8 Section 5. Section 13-1B-3 NMSA 1978 (being Laws 1992,
9 Chapter 58, Section 3, as amended) is amended to read:

10 "13-1B-3. [~~CONVERSION]~~ ACQUISITION OF
11 VEHICLES-- EXEMPTIONS. --

12 [~~A. The agencies and departments of state~~
13 ~~government and the post-secondary institutions shall convert~~
14 ~~vehicles that are purchased or leased after May 20, 1992 from~~
15 ~~gasoline to alternative fuel according to the following~~
16 ~~schedule:~~

17 (~~1) if three or more vehicles are purchased~~
18 ~~in the eighty-second fiscal year or leased in the~~
19 ~~eighty-second fiscal year by a lease initiated in that year,~~
20 ~~thirty percent of these vehicles shall be converted;~~

21 (~~2) if three or more vehicles are purchased~~
22 ~~in the eighty-third fiscal year or leased in the eighty-third~~
23 ~~fiscal year by a lease initiated in that year, sixty percent~~
24 ~~of these vehicles shall be converted; and~~

25 (~~3) one hundred percent of the vehicles that~~

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1 ~~are purchased in the eighty-fourth fiscal year or leased in~~
2 ~~the eighty-fourth fiscal year by a lease initiated in that~~
3 ~~year, and in each of the following fiscal years, shall be~~
4 ~~converted.~~

5 ~~B. The agencies and departments of state~~
6 ~~government and the post-secondary institutions may convert~~
7 ~~their vehicles to]~~

8 A. When acquiring vehicles in fiscal year 2002 and
9 each fiscal year thereafter, the agencies and departments of
10 state government and post-secondary educational institutions
11 shall only purchase or initiate the lease of vehicles that are
12 capable of operating on alternative fuel or are gas-electric
13 hybrid vehicles. Vehicles capable of operating on alternative
14 fuel may have either bi-fuel capability or [to] dedicated
15 engine configurations.

16 B. Every agency and department of state government
17 and every post-secondary educational institution shall provide
18 to the department by September 1, 2002 and by September 1 of
19 each year thereafter, the total number of vehicles purchased
20 in the preceding fiscal year, the number of those vehicles
21 that are capable of operating on alternative fuel or are gas-
22 electric hybrid vehicles and the make, model and fuel type of
23 each of the alternative fuel or gas-electric hybrid vehicles.

24 C. Certified law enforcement pursuit vehicles and
25 emergency vehicles are exempt from the provisions of the

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1 Alternative Fuel Conversion Act. The department may exempt
2 additional vehicles from the requirements of Subsection A of
3 this section upon demonstration by the purchasing entity that
4 ~~[(1) alternative fuels are unavailable at a~~
5 ~~cost approximately equivalent to the cost of conventional fuel~~
6 ~~within the normal driving range of these vehicles;~~
7 ~~(2) the conversion payback period for these~~
8 ~~vehicles is too long to be economically feasible; or~~
9 ~~(3) the conversion of a vehicle will hamper~~
10 ~~or interfere with the intended use of the vehicle] a vehicle~~
11 suitable for its intended use that is capable of operating on
12 alternative fuel or a gas-electric hybrid is not available
13 from an original equipment manufacturer.

14 D. Equipment and installation procedures shall
15 conform to all applicable state and federal safety and
16 environmental regulations and standards.

17 E. The agencies and departments of state
18 government, political subdivisions and the post-secondary
19 institutions may submit loan applications to the department to
20 acquire loans to facilitate the conversion of their vehicles. "

21 Section 6. EFFECTIVE DATE. -- The effective date of the
22 provisions of this act is July 1, 2001.