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SENATE BILL 387

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Carroll H. Leavell

AN ACT

RELATING TO TAXATION; ENACTING A NEW SECTION OF CHAPTER 7,
ARTICLE 36 NMSA 1978 TO PROVIDE FOR VALUATION OF ALGAE AND
GEOHERMAL GENERATION EQUIPMENT THAT IS SUBJECT TO PROPERTY
TAXATION AND THAT IS USED FOR GENERATION, TRANSMISSION OR
DISTRIBUTION OF ELECTRIC POWER OR ENERGY.

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

SECTION 1. A new section of Chapter 7, Article 36 NMSA
1978 is enacted to read:

"NEW MATERIAL METHOD OF VALUATION--ALGAE AND GEOHERMAL
GENERATION EQUIPMENT--PROPERTY USED FOR GENERATION,
TRANSMISSION OR DISTRIBUTION OF ELECTRIC POWER OR ENERGY.--

A. Property that is algae or geothermal generation
equipment used for generation, transmission or distribution of
electric power or energy subject to valuation for property

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1 taxation purposes shall be valued in taxable years beginning on
2 or after January 1, 2014 through December 31, 2028 as follows:

3 (1) the department shall determine the actual
4 cost of construction of the algae or geothermal generation
5 equipment;

6 (2) the actual cost of construction shall then
7 be reduced by the amount of the federal investment tax credit
8 claimed, if any, associated with purchase of the algae or
9 geothermal equipment;

10 (3) the amount determined in Paragraph (2) of
11 this subsection shall be reduced by depreciation using a ten-
12 year useful life and for any other justifiable factors; and

13 (4) the value shall be twenty percent of the
14 amount determined in Paragraph (3) of this subsection.

15 B. The department shall adopt rules to implement
16 the provisions of this section.

17 C. As used in this section:

18 (1) "algae generation equipment" means
19 cultivation, harvesting and conversion equipment and systems
20 and related equipment used to generate electricity out of algae
21 biomass; and

22 (2) "geothermal generation equipment" means
23 heat exchangers, turbines and associated electrical generating
24 equipment and related equipment used to generate electricity
25 from geothermal energy, cooling towers, wells, pumps, gathering

.192204.1

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1 systems and related tangible and intangible drilling costs
2 incurred to produce, distribute or use energy derived from a
3 geothermal deposit."

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