

HOUSE FLOOR SUBSTITUTE FOR
HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 291

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

AN ACT

RELATING TO TAXATION; ENACTING THE RENEWABLE ENERGY PRODUCTION
TAX ACT; IMPOSING AN EXCISE TAX ON ELECTRICITY GENERATED FROM
RENEWABLE ENERGY RESOURCES; INCREASING AND INDEXING THE
LOW-INCOME COMPREHENSIVE TAX REBATE; INCREASING THE AMOUNT OF
THE WORKING FAMILIES TAX CREDIT; EXPANDING THE CREDIT TO
CERTAIN RESIDENTS WHO ARE INELIGIBLE FOR THE FEDERAL EARNED
INCOME TAX CREDIT ON WHICH THE WORKING FAMILIES TAX CREDIT IS
BASED; PROVIDING A THREE PERCENT LIMITATION ON INCREASES IN
VALUATION OF RESIDENTIAL PROPERTY TO PROPERTY THAT IS OCCUPIED
BY THE OWNER AS THE OWNER'S PRINCIPAL PLACE OF RESIDENCE;
PROVIDING A TEN PERCENT LIMITATION ON INCREASES IN VALUATION OF
RESIDENTIAL PROPERTY THAT IS NOT OCCUPIED BY THE OWNER AS THE
OWNER'S PRINCIPAL PLACE OF RESIDENCE.

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

.220440.1

underscored material = new
[bracketed material] = delete

1 SECTION 1. [NEW MATERIAL] SHORT TITLE.--Sections 1
2 through 5 of this act may be cited as the "Renewable Energy
3 Production Tax Act".

4 SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the
5 Renewable Energy Production Tax Act:

6 A. "department" means the taxation and revenue
7 department;

8 B. "generating facility" means a facility that
9 produces electricity by the use of renewable energy resources;
10 and

11 C. "renewable energy resource" means solar, wind,
12 hydropower, geothermal or biomass used as an energy resource.
13 As used in this subsection, "biomass" includes agriculture or
14 animal waste, small diameter timber, salt cedar and other
15 phreatophyte or woody vegetation removed from river basins or
16 watersheds in New Mexico, landfill gas and anaerobically
17 digested waste biomass.

18 SECTION 3. [NEW MATERIAL] IMPOSITION OF TAX--RATE--
19 TAXABLE VALUE--DENOMINATION AS "RENEWABLE ENERGY PRODUCTION
20 TAX".--

21 A. For the privilege of generating electricity from
22 renewable energy resources, there is imposed on a generating
23 facility an excise tax on the taxable value of electricity
24 generated from renewable energy resources in this state.

25 B. The rate of the renewable energy production tax

.220440.1

1 shall be one dollar (\$1.00) on each megawatt-hour, or portion
 2 thereof, of electricity generated from renewable energy
 3 resources in this state by a generating facility.

4 C. The taxable value for electricity generated from
 5 renewable energy resources shall be the wholesale value of
 6 electricity established by the United States energy information
 7 administration for the southwest regional wholesale market.
 8 The taxable event occurs when the electricity is generated.
 9 The wholesale value shall be the monthly average wholesale
 10 price for the month in which the taxable event occurs.

11 D. The tax imposed by this section shall be known
 12 as the "renewable energy production tax".

13 SECTION 4. [NEW MATERIAL] EXEMPTIONS.--

14 A. Exempted from the renewable energy production
 15 tax is electricity produced from renewable energy resources by:

- 16 (1) the United States or any agency,
 17 department or instrumentality thereof;
- 18 (2) the state of New Mexico or any political
 19 subdivision thereof;
- 20 (3) any Indian nation, tribe or pueblo from
 21 activities or transactions occurring on its sovereign
 22 territory; or
- 23 (4) any foreign nation or agency,
 24 instrumentality or political subdivision thereof, but only when
 25 required by a treaty in force to which the United States is a

.220440.1

underscored material = new
 [bracketed material] = delete

1 party.

2 B. Exempted from the renewable energy production
3 tax is electricity produced from renewable energy resources for
4 the personal consumption of the producer, including any excess
5 production of electricity not consumed by the producer that
6 does not exceed five hundred kilowatt-hours in a twenty-four-
7 hour period.

8 SECTION 5. [NEW MATERIAL] DATE PAYMENT DUE.--The tax
9 imposed by the Renewable Energy Production Tax Act is to be
10 paid on or before the twenty-fifth day of the month following
11 the month in which the taxable event occurs.

12 SECTION 6. Section 7-1-2 NMSA 1978 (being Laws 1965,
13 Chapter 248, Section 2, as amended by Laws 2019, Chapter 47,
14 Section 1 and by Laws 2019, Chapter 53, Section 10 and also by
15 Laws 2019, Chapter 270, Section 1) is amended to read:

16 "7-1-2. APPLICABILITY.--The Tax Administration Act
17 applies to and governs:

18 A. the administration and enforcement of the
19 following taxes or tax acts as they now exist or may hereafter
20 be amended:

- 21 (1) Income Tax Act;
22 (2) Withholding Tax Act;
23 (3) Oil and Gas Proceeds and Pass-Through
24 Entity Withholding Tax Act;
25 (4) Gross Receipts and Compensating Tax Act,

.220440.1

1 Interstate Telecommunications Gross Receipts Tax Act and Leased
2 Vehicle Gross Receipts Tax Act;

3 (5) Liquor Excise Tax Act;

4 (6) Local Liquor Excise Tax Act;

5 (7) any municipal local option gross receipts
6 tax or municipal compensating tax;

7 (8) any county local option gross receipts tax
8 or county compensating tax;

9 (9) Special Fuels Supplier Tax Act;

10 (10) Gasoline Tax Act;

11 (11) petroleum products loading fee, which fee
12 shall be considered a tax for the purpose of the Tax

13 Administration Act;

14 (12) Alternative Fuel Tax Act;

15 (13) Cigarette Tax Act;

16 (14) Estate Tax Act;

17 (15) Railroad Car Company Tax Act;

18 (16) Investment Credit Act, rural job tax
19 credit, Laboratory Partnership with Small Business Tax Credit
20 Act, Technology Jobs and Research and Development Tax Credit
21 Act, Film Production Tax Credit Act, Affordable Housing Tax
22 Credit Act and high-wage jobs tax credit;

23 (17) Corporate Income and Franchise Tax Act;

24 (18) Uniform Division of Income for Tax
25 Purposes Act;

.220440.1

- 1 (19) Multistate Tax Compact;
- 2 (20) Tobacco Products Tax Act;
- 3 (21) the telecommunications relay service
- 4 surcharge imposed by Section 63-9F-11 NMSA 1978, which
- 5 surcharge shall be considered a tax for the purposes of the Tax
- 6 Administration Act; [~~and~~]

- 7 (22) the Insurance Premium Tax Act;
- 8 (23) the Health Care Quality Surcharge Act;

9 and

- 10 (24) the Renewable Energy Production Tax Act;

11 B. the administration and enforcement of the

12 following taxes, surtaxes, advanced payments or tax acts as

13 they now exist or may hereafter be amended:

- 14 (1) Resources Excise Tax Act;
- 15 (2) Severance Tax Act;
- 16 (3) any severance surtax;
- 17 (4) Oil and Gas Severance Tax Act;
- 18 (5) Oil and Gas Conservation Tax Act;
- 19 (6) Oil and Gas Emergency School Tax Act;
- 20 (7) Oil and Gas Ad Valorem Production Tax Act;
- 21 (8) Natural Gas Processors Tax Act;
- 22 (9) Oil and Gas Production Equipment Ad

23 Valorem Tax Act;

- 24 (10) Copper Production Ad Valorem Tax Act;
- 25 (11) any advance payment required to be made

underscored material = new
[bracketed material] = delete

1 by any act specified in this subsection, which advance payment
 2 shall be considered a tax for the purposes of the Tax
 3 Administration Act;

4 (12) Enhanced Oil Recovery Act;

5 (13) Natural Gas and Crude Oil Production
 6 Incentive Act; and

7 (14) intergovernmental production tax credit
 8 and intergovernmental production equipment tax credit;

9 C. the administration and enforcement of the
 10 following taxes, surcharges, fees or acts as they now exist or
 11 may hereafter be amended:

12 (1) Weight Distance Tax Act;

13 (2) the workers' compensation fee authorized
 14 by Section 52-5-19 NMSA 1978, which fee shall be considered a
 15 tax for purposes of the Tax Administration Act;

16 (3) Uniform Unclaimed Property Act (1995);

17 (4) 911 emergency surcharge and the network
 18 and database surcharge, which surcharges shall be considered
 19 taxes for purposes of the Tax Administration Act;

20 (5) the solid waste assessment fee authorized
 21 by the Solid Waste Act, which fee shall be considered a tax for
 22 purposes of the Tax Administration Act;

23 (6) the water conservation fee imposed by
 24 Section 74-1-13 NMSA 1978, which fee shall be considered a tax
 25 for the purposes of the Tax Administration Act; and

.220440.1

underscored material = new
 [bracketed material] = delete

1 (7) the gaming tax imposed pursuant to the
2 Gaming Control Act; and

3 D. the administration and enforcement of all other
4 laws, with respect to which the department is charged with
5 responsibilities pursuant to the Tax Administration Act, but
6 only to the extent that the other laws do not conflict with the
7 Tax Administration Act."

8 SECTION 7. Section 7-2-14 NMSA 1978 (being Laws 1972,
9 Chapter 20, Section 2, as amended) is amended to read:

10 "7-2-14. LOW-INCOME COMPREHENSIVE TAX REBATE.--

11 A. Except as otherwise provided in Subsection B of
12 this section, any resident who files an individual New Mexico
13 income tax return and who is not a dependent of another
14 individual may claim a tax rebate for a portion of state and
15 local taxes to which the resident has been subject during the
16 taxable year for which the return is filed. The tax rebate may
17 be claimed even though the resident has no income taxable under
18 the Income Tax Act. [~~A husband and wife~~] Married individuals
19 who file separate returns for a taxable year in which they
20 could have filed a joint return may each claim only one-half of
21 the tax rebate that would have been allowed on a joint return.

22 B. No claim for the tax rebate provided in this
23 section shall be filed by a resident who was an inmate of a
24 public institution for more than six months during the taxable
25 year for which the tax rebate could be claimed or who was not

.220440.1

1 physically present in New Mexico for at least six months during
2 the taxable year for which the tax rebate could be claimed.

3 C. For the purposes of this section, the total
4 number of exemptions for which a tax rebate may be claimed or
5 allowed is determined by adding the number of federal
6 exemptions allowable for federal income tax purposes for each
7 individual included in the return who is domiciled in New
8 Mexico plus two additional exemptions for each individual
9 domiciled in New Mexico included in the return who is sixty-
10 five years of age or older plus one additional exemption for
11 each individual domiciled in New Mexico included in the return
12 who, for federal income tax purposes, is blind plus one
13 exemption for each minor child or stepchild of the resident who
14 would be a dependent for federal income tax purposes if the
15 public assistance contributing to the support of the child or
16 stepchild was considered to have been contributed by the
17 resident.

18 D. Except as provided in Subsection F of this
19 section, the tax rebate provided for in this section may be
20 claimed in the amount shown in the following table:

21	Modified gross		And the total number					
22	income is:		of exemptions is:					
23		But Not						6 or
24	Over	Over	1	2	3	4	5	More
25	[\$ 0	\$ 500	\$ 120	\$ 160	\$ 200	\$ 240	\$ 280	\$ 320

.220440.1

underscored material = new
[bracketed material] = delete

HF1/HTRC/HB 291

1	500	1,000	135	195	250	310	350	415
2	1,000	1,500	135	195	250	310	350	435
3	1,500	2,000	135	195	250	310	350	450
4	2,000	2,500	135	195	250	310	350	450
5	2,500	3,000	135	195	250	310	350	450
6	3,000	3,500	135	195	250	310	350	450
7	3,500	4,000	135	195	250	310	355	450
8	4,000	4,500	135	195	250	310	355	450
9	4,500	5,000	125	190	240	305	355	450
10	5,000	5,500	115	175	230	295	355	430
11	5,500	6,000	105	155	210	260	315	410
12	6,000	7,000	90	130	170	220	275	370
13	7,000	8,000	80	115	145	180	225	295
14	8,000	9,000	70	105	135	170	195	240
15	9,000	10,000	65	95	115	145	175	205
16	10,000	11,000	60	80	100	130	155	185
17	11,000	12,000	55	70	90	110	135	160
18	12,000	13,000	50	65	85	100	115	140
19	13,000	14,000	50	65	85	100	115	140
20	14,000	15,000	45	60	75	90	105	120
21	15,000	16,000	40	55	70	85	95	110
22	16,000	17,000	35	50	65	80	85	105
23	17,000	18,000	30	45	60	70	80	95
24	18,000	19,000	25	35	50	60	70	80
25	19,000	20,000	20	30	40	50	60	65

.220440.1

underscored material = new
 [bracketed material] = delete

1	<u>20,000</u>	21,000	<u>15</u>	<u>25</u>	<u>30</u>	<u>40</u>	<u>50</u>	<u>55</u>
2	<u>21,000</u>	22,000	<u>10</u>	<u>20</u>	<u>25</u>	<u>35</u>	<u>40</u>	<u>45]</u>
3	<u>\$ 0</u>	<u>\$ 1,000</u>	<u>\$ 195</u>	<u>\$ 260</u>	<u>\$ 325</u>	<u>\$ 390</u>	<u>\$ 455</u>	<u>\$ 520</u>
4	<u>1,000</u>	<u>1,500</u>	<u>220</u>	<u>315</u>	<u>405</u>	<u>505</u>	<u>570</u>	<u>675</u>
5	<u>1,500</u>	<u>2,500</u>	<u>220</u>	<u>315</u>	<u>405</u>	<u>505</u>	<u>570</u>	<u>705</u>
6	<u>2,500</u>	<u>7,500</u>	<u>220</u>	<u>315</u>	<u>405</u>	<u>505</u>	<u>570</u>	<u>730</u>
7	<u>7,500</u>	<u>8,000</u>	<u>205</u>	<u>310</u>	<u>390</u>	<u>495</u>	<u>575</u>	<u>730</u>
8	<u>8,000</u>	<u>9,000</u>	<u>185</u>	<u>285</u>	<u>375</u>	<u>480</u>	<u>575</u>	<u>700</u>
9	<u>9,000</u>	<u>10,000</u>	<u>170</u>	<u>250</u>	<u>340</u>	<u>425</u>	<u>510</u>	<u>665</u>
10	<u>10,000</u>	<u>11,500</u>	<u>145</u>	<u>210</u>	<u>275</u>	<u>360</u>	<u>445</u>	<u>600</u>
11	<u>11,500</u>	<u>13,000</u>	<u>130</u>	<u>185</u>	<u>235</u>	<u>295</u>	<u>365</u>	<u>480</u>
12	<u>13,000</u>	<u>14,500</u>	<u>115</u>	<u>170</u>	<u>220</u>	<u>275</u>	<u>315</u>	<u>390</u>
13	<u>14,500</u>	<u>16,500</u>	<u>105</u>	<u>155</u>	<u>185</u>	<u>235</u>	<u>285</u>	<u>335</u>
14	<u>16,500</u>	<u>18,000</u>	<u>100</u>	<u>130</u>	<u>165</u>	<u>210</u>	<u>250</u>	<u>300</u>
15	<u>18,000</u>	<u>19,500</u>	<u>90</u>	<u>115</u>	<u>145</u>	<u>180</u>	<u>220</u>	<u>260</u>
16	<u>19,500</u>	<u>21,000</u>	<u>80</u>	<u>105</u>	<u>140</u>	<u>165</u>	<u>185</u>	<u>230</u>
17	<u>21,000</u>	<u>23,000</u>	<u>80</u>	<u>105</u>	<u>140</u>	<u>165</u>	<u>185</u>	<u>230</u>
18	<u>23,000</u>	<u>24,500</u>	<u>75</u>	<u>100</u>	<u>120</u>	<u>145</u>	<u>170</u>	<u>195</u>
19	<u>24,500</u>	<u>26,000</u>	<u>65</u>	<u>90</u>	<u>115</u>	<u>140</u>	<u>155</u>	<u>180</u>
20	<u>26,000</u>	<u>27,500</u>	<u>55</u>	<u>80</u>	<u>105</u>	<u>130</u>	<u>140</u>	<u>170</u>
21	<u>27,500</u>	<u>29,500</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>115</u>	<u>130</u>	<u>155</u>
22	<u>29,500</u>	<u>31,000</u>	<u>40</u>	<u>55</u>	<u>80</u>	<u>100</u>	<u>115</u>	<u>130</u>
23	<u>31,000</u>	<u>32,500</u>	<u>35</u>	<u>50</u>	<u>65</u>	<u>80</u>	<u>100</u>	<u>105</u>
24	<u>32,500</u>	<u>34,000</u>	<u>25</u>	<u>40</u>	<u>50</u>	<u>65</u>	<u>80</u>	<u>90</u>
25	<u>34,000</u>	<u>36,000</u>	<u>15</u>	<u>35</u>	<u>40</u>	<u>55</u>	<u>65</u>	<u>75.</u>

.220440.1

underscored material = new
 [bracketed material] = delete

1 E. If a taxpayer's modified gross income is zero,
2 the taxpayer may claim a credit in the amount shown in the
3 first row of the table appropriate for the taxpayer's number of
4 exemptions as adjusted by the provisions of Subsection F of
5 this section.

6 F. For the 2022 taxable year and each subsequent
7 taxable year, the amount of rebate shown in the table in
8 Subsection D of this section shall be adjusted to account for
9 inflation. The department shall make the adjustment by
10 multiplying each amount of rebate by a fraction, the numerator
11 of which is the consumer price index ending during the prior
12 taxable year and the denominator of which is the consumer price
13 index ending in tax year 2021. The result of the
14 multiplication shall be rounded down to the nearest one dollar
15 (\$1.00), except that if the result would be an amount less than
16 the corresponding amount for the preceding taxable year, then
17 no adjustment shall be made.

18 [F-] G. The tax rebates provided for in this
19 section may be deducted from the taxpayer's New Mexico income
20 tax liability for the taxable year. If the tax rebates exceed
21 the taxpayer's income tax liability, the excess shall be
22 refunded to the taxpayer.

23 [G-] H. For purposes of this section:

24 (1) "consumer price index" means the consumer
25 price index for all urban consumers published by the United

.220440.1

1 States department of labor for the month ending September 30;
 2 and

3 (2) "dependent" means "dependent" as defined
 4 by Section 152 of the Internal Revenue Code [~~of 1986~~], as that
 5 section may be amended or renumbered, but also includes any
 6 minor child or stepchild of the resident who would be a
 7 dependent for federal income tax purposes if the public
 8 assistance contributing to the support of the child or
 9 stepchild was considered to have been contributed by the
 10 resident."

11 SECTION 8. Section 7-2-18.15 NMSA 1978 (being Laws 2007,
 12 Chapter 45, Section 9, as amended) is amended to read:

13 "7-2-18.15. WORKING FAMILIES TAX CREDIT.--

14 A. A taxpayer who is a resident and who files an
 15 individual New Mexico income tax return may claim a credit in
 16 an amount equal to [~~seventeen~~] twenty percent of the federal
 17 earned income tax credit for which that [~~individual~~] taxpayer
 18 is eligible for the same taxable year [~~pursuant to Section 32~~
 19 ~~of the Internal Revenue Code~~] or would have been eligible but
 20 for the identification number requirement pursuant to 26 U.S.C.
 21 32(m), as that section may be amended or renumbered.

22 B. A taxpayer who is a resident and who files an
 23 individual New Mexico tax return may claim a credit in an
 24 amount equal to twenty percent of the federal earned income tax
 25 credit for which that taxpayer would have been eligible for the

.220440.1

underscored material = new
 [bracketed material] = delete

1 same taxable year but for the age requirement pursuant to
2 26 U.S.C. 32(c)(1)(A)(ii)(II), as that section may be amended
3 or renumbered; provided that the taxpayer is at least eighteen
4 years of age but has not reached the age of twenty-five.

5 C. The credit provided in this section may be
6 referred to as the "working families tax credit".

7 ~~[B-]~~ D. The working families tax credit may be
8 deducted from the income tax liability of an individual who
9 claims the credit and qualifies for the credit pursuant to this
10 section. If the credit exceeds the individual's income tax
11 liability for the taxable year, the excess shall be refunded to
12 the individual.

13 E. As used in this section, "federal earned income
14 tax credit" means the tax credit allowed pursuant to 26 U.S.C.
15 32, as that section may be amended or renumbered."

16 SECTION 9. Section 7-36-21.2 NMSA 1978 (being Laws 2000,
17 Chapter 10, Section 2, as amended) is amended to read:

18 "7-36-21.2. LIMITATION ON INCREASES IN VALUATION OF
19 RESIDENTIAL PROPERTY.--

20 A. Except as provided in Subsections B through D of
21 this section, residential property shall be valued at its
22 current and correct value in accordance with the provisions of
23 the Property Tax Code. [~~provided that~~]

24 B. For the 2001 [~~and subsequent~~] through 2023 tax
25 years, the value of a property in any tax year shall not exceed

.220440.1

1 the higher of one hundred three percent of the value in the tax
 2 year prior to the tax year in which the property is being
 3 valued or one hundred six and one-tenth percent of the value in
 4 the tax year two years prior to the tax year in which the
 5 property is being valued. [~~This limitation~~]

6 C. For the 2024 and subsequent tax years, the value
 7 of a residential property that is occupied by the owner as the
 8 owner's principal place of residence in any tax year shall not
 9 exceed the higher of one hundred three percent of the value in
 10 the tax year prior to the tax year in which the property is
 11 being valued or one hundred six and one-tenth percent of the
 12 value in the tax year two years prior to the tax year in which
 13 the property is being valued.

14 D. For the 2024 and subsequent tax years, the value
 15 of a residential property that is not occupied by the owner as
 16 the owner's principal place of residence in any tax year shall
 17 not exceed the higher of one hundred ten percent of the value
 18 in the tax year prior to the tax year in which the property is
 19 being valued or one hundred twenty-one percent of the value in
 20 the tax year two years prior to the tax year in which the
 21 property is being valued.

22 E. The limitations on increases in value [does]
 23 pursuant to Subsections B through D of this section shall not
 24 apply to:

- 25 (1) a residential property in the first tax

.220440.1

underscored material = new
 [bracketed material] = delete

1 year that it is valued for property taxation purposes;

2 (2) any physical improvements, except for
3 solar energy system installations, made to the property during
4 the year immediately prior to the tax year or omitted in a
5 prior tax year; or

6 (3) valuation of a residential property in any
7 tax year in which:

8 (a) a change of ownership of the
9 property occurred in the year immediately prior to the tax year
10 for which the value of the property for property taxation
11 purposes is being determined; or

12 (b) the use or zoning of the property
13 has changed in the year prior to the tax year.

14 [~~B.~~] F. If a change of ownership of residential
15 property occurred in the year immediately prior to the tax year
16 for which the value of the property for property taxation
17 purposes is being determined, the value of the property shall
18 be its current and correct value as determined pursuant to the
19 general valuation provisions of the Property Tax Code.

20 [~~C.~~] G. To assure that the values of residential
21 property for property taxation purposes are at current and
22 correct values in all counties prior to application of the
23 limitation in Subsection [~~A.~~] B. of this section, the department
24 shall determine for the 2000 tax year the sales ratio pursuant
25 to Section 7-36-18 NMSA 1978 or, if a sales ratio cannot be

.220440.1

1 determined pursuant to that section, conduct a sales-ratio
 2 analysis using both independent appraisals by the department
 3 and sales. If the sales ratio for a county for the 2000 tax
 4 year is less than eighty-five, as measured by the median ratio
 5 of value for property taxation purposes to sales price or
 6 independent appraisal by the department, the county shall not
 7 be subject to the limitations of Subsection [A] B of this
 8 section and shall conduct a reassessment of residential
 9 property in the county so that, by the 2003 tax year, the sales
 10 ratio is at least eighty-five. After such reassessment, the
 11 limitation on increases in valuation in this section shall
 12 apply in those counties in the earlier of the 2004 tax year or
 13 the first tax year following the tax year that the county has a
 14 sales ratio of eighty-five or higher, as measured by the median
 15 ratio of value for property taxation purposes to sales value or
 16 independent appraisal by the department. Thereafter, the
 17 limitation on increases in valuation of residential property
 18 for property taxation purposes in this section shall apply to
 19 subsequent tax years in all counties.

20 ~~[D-]~~ H. The provisions of this section do not apply
 21 to residential property for any tax year in which the property
 22 is subject to the valuation limitation in Section 7-36-21.3
 23 NMSA 1978.

24 ~~[E-]~~ I. As used in this section:

25 (1) "change of ownership" means a transfer to

.220440.1

underscored material = new
 [bracketed material] = delete

1 a transferee by a transferor of all or any part of the
2 transferor's legal or equitable ownership interest in
3 residential property except for a transfer:

4 ~~[(1)]~~ (a) to a trustee for the
5 beneficial use of the spouse of the transferor or the surviving
6 spouse of a deceased transferor;

7 ~~[(2)]~~ (b) to the spouse of the
8 transferor that takes effect upon the death of the transferor;

9 ~~[(3)]~~ (c) that creates, transfers or
10 terminates, solely between spouses, any co-owner's interest;

11 ~~[(4)]~~ (d) to a child of the transferor,
12 who occupies the property as that person's principal residence
13 at the time of transfer; provided that the first subsequent tax
14 year in which that person does not qualify for the head of
15 household exemption on that property, a change of ownership
16 shall be deemed to have occurred;

17 ~~[(5)]~~ (e) that confirms or corrects a
18 previous transfer made by a document that was recorded in the
19 real estate records of the county in which the real property is
20 located;

21 ~~[(6)]~~ (f) for the purpose of quieting
22 the title to real property or resolving a disputed location of
23 a real property boundary;

24 ~~[(7)]~~ (g) to a revocable trust by the
25 transferor with the transferor, the transferor's spouse or a

.220440.1

1 child of the transferor as beneficiary; or

2 ~~(8)~~ (h) from a revocable trust
3 described in ~~[Paragraph (7) of this subsection]~~ Subparagraph
4 (g) of this paragraph back to the settlor or trustor or to the
5 beneficiaries of the trust; and

6 [F. ~~As used in this section]~~

7 (2) "solar energy system installation" means
8 an installation that is used to provide space heat, hot water
9 or electricity to the property in which it is installed and is:

10 ~~(1)~~ (a) an installation that uses
11 solar panels that are not also windows;

12 ~~(2)~~ (b) a dark-colored water tank
13 exposed to sunlight; or

14 ~~(3)~~ (c) a non-vented trombe wall."

15 SECTION 10. APPLICABILITY.--

16 A. The provisions of Sections 1 through 5 of this
17 act apply to the production of electricity from renewable
18 energy resources beginning on or after January 1, 2022.

19 B. The provisions of Sections 7 and 8 of this act
20 apply to taxable years beginning on or after January 1, 2021.

21 SECTION 11. EFFECTIVE DATE.--The effective date of the
22 provisions of Sections 1 through 5 of this act is January 1,
23 2022.

underscored material = new
[bracketed material] = delete