

LFC Requester:

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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
[AgencyAnalysis.nmlegis.gov](https://www.legis.state.nm.us/AgencyAnalysis.nmlegis.gov) and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/23/2026 *Check all that apply:*
Bill Number: HB 113 Original Correction
 Amendment Substitute

Sponsor: Rep. John Block **Agency Name and Code** 430 – Public Regulation Commission
Short Title: Renewable Energy Production Tax Act **Number:** _____
Person Writing Gabriella Dasheno
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 113 proposes to impose a tax for the privilege of generating energy from a “renewable energy resource”, defined as solar, wind, hydropower, geothermal or biomass used as an energy resource. The bill would impose an excise tax on these renewable sources equivalent to 3.75 percent of the taxable value of each megawatt-hour, or portion thereof electricity from renewable energy resources produced in the state.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

HB 113 conflicts with the Energy Transition Act. The Renewable Energy Act at Section 62-16-6 NMSA provides cost recovery from utility customers for the costs of adopting renewable energy measures aimed at meeting the state’s renewable energy goals. Those costs are to be deemed reasonable by the New Mexico Public Regulation Commission. The cost of taxing such energy would be passed onto the utility customer. Additionally, HB 113 contradicts state tax credits for renewable energy resources and may disincentivize renewable energy generation in New Mexico.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None noted.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

N/A