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SENATE JOINT MEMORIAL 4

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

MICHAEL S. SANCHEZ

FOR THE INTEGRATED WATER AND RESOURCE PLANNING COMMITTEE

A JOINT MEMORIAL

REQUESTING A STUDY TO EVALUATE AND REPORT ON THE IMPACTS ON TAX REVENUES RESULTANT FROM A RESTRUCTURE OF THE ELECTRIC UTILITY INDUSTRY TO PERMIT RETAIL COMPETITION AND ALTERNATIVE SOLUTIONS TO PRESERVE TAX REVENUES.

WHEREAS, state and local taxes on electric utilities and the sale of electricity include gross receipts, property and income taxes; and

WHEREAS, any restructure of the electric industry to permit retail competition or other substantial alternation of regulation may impact the tax revenues derived from electric utilities and the sale of electricity within the state due to lowering electricity prices, shifting the market share from more to less heavily taxed electric providers and declining values of property owned by utilities; and

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1 WHEREAS, the restructure of the electric industry to permit
2 retail competition may result in the various electric service
3 providers in the state being subject to different taxes
4 resulting in different economic status among providers in the
5 competitive environment, with taxes being increasingly borne by
6 electric service providers attempting to compete with each other
7 but with differing tax responsibilities; and

8 WHEREAS, tax assessment and imposition on aspects of a
9 competitive electricity market must adhere to constitutional
10 considerations in the regulation and impacting of interstate
11 commerce; and

12 WHEREAS, the financial interests of the state, its
13 political subdivisions and its residents require full and
14 comprehensive attention to the potential impacts on tax revenues
15 resultant from any restructure of the electric utility industry
16 and the sale of electricity within the state to ensure that
17 preservation of necessary tax revenues occurs;

18 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
19 STATE OF NEW MEXICO that the local government division of the
20 department of finance and administration, the state department
21 of public education, the taxation and revenue department and the
22 New Mexico public utility commission study and evaluate the
23 reasonably projected impacts on tax revenues of any restructure
24 of the electric utility industry to permit retail competition in
25 the sale of electricity in the state and alternative tax

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1 structures and schemes to ensure the preservation of necessary
2 tax revenues to the state and its political subdivisions for its
3 residents and report their findings and recommendations to the
4 second session of the forty-third legislature; and

5 BE IT FURTHER RESOLVED that copies of this memorial be sent
6 to the secretaries of finance and administration and taxation
7 and revenue, the superintendent of public instruction and the
8 chairman of the New Mexico public utility commission.

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1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997
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5 March 4, 1997
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7 Mr. President:
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9 Your RULES COMMITTEE, to whom has been referred
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11 SENATE JOINT MEMORIAL 4
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13 has had it under consideration and reports same with
14 recommendation that it DO PASS, and thence referred to the WAYS
15 AND MEANS COMMITTEE.
16

17 Respectfully submitted,
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22 Gloria Howes, Chairman
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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

The roll call vote was 6 For 0 Against

Yes: 6

No: 0

Excused: Aragon, Gorham

Absent: None

SJ004RU1

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1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997
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4

5 March 17, 1997
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7 Mr. President:
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9 Your WAYS AND MEANS COMMITTEE, to whom has been
10 referred
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12 SENATE JOINT MEMORIAL 4
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14 has had it under consideration and reports same with
15 recommendation that it DO PASS.
16

17 Respectfully submitted,
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22 Carlos R. Cisneros, Chairman
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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: McSorley, Nava

Absent: None

SJ004WMI

Underscored material = new
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State of New Mexico House of Representatives

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

March 21, 1997

Mr. Speaker:

Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred

SENATE JOINT MEMORIAL 4

has had it under consideration and reports same with
recommendation that it DO PASS.

Respectfully submitted,

Jerry W. Sandel, Chairman

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

SJM 4

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 1 Against

Yes: 6

No: Russell

Excused: Gonzales, Gubbels, Lovejoy, Lujan, Sandel, Stell

Absent: None

M \SJ004

~~Underscored material = new~~
~~[bracketed material] = delete~~