

HOUSE BILL 283

54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020

INTRODUCED BY

Sheryl Williams Stapleton and Abbas Akhil

This document incorporates amendments that have been adopted during the current legislative session. The document is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO PROPERTY TAX; ESTABLISHING A METHOD OF VALUATION FOR PROPERTY TAX PURPOSES FOR CERTAIN SOLAR ENERGY SYSTEMS CLASSIFIED AS TANGIBLE PERSONAL PROPERTY.

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] SPECIAL METHOD OF VALUATION--SOLAR ENERGY SYSTEM CLASSIFIED AS TANGIBLE PERSONAL PROPERTY.--

A. A solar energy system subject to valuation for

.216723.1AIC February 6, 2020 (9:35am)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

property taxation purposes shall be valued in accordance with the provisions of this section.

B. A solar energy system shall be valued as follows:

(1) the owner of the solar energy system shall report the tangible property cost of the system; and

(2) the tangible property cost shall then be reduced by the related accumulated provision for depreciation, as determined in Subsection C of this section, and any other justifiable factors, including functional and economic obsolescence.

C. The county assessor shall adjust the depreciation for a solar energy system subject to valuation for property tax purposes for the following tax years by the following amounts:

(1) for the first through third tax years of assessment, three percent of the scheduled depreciated value for each tax year;

(2) for the fourth tax year of assessment, four percent of the scheduled depreciated value;

(3) for the fifth tax year of assessment, five percent of the scheduled depreciated value;

(4) for the sixth tax year of assessment, six percent of the scheduled depreciated value;

(5) for the seventh tax year of assessment,

underscored material = new
[bracketed material] = delete
Amendments: new = → bold, blue, highlight ←
delete = → bold, red, highlight, strikethrough ←

eight percent of the scheduled depreciated value;

(6) for the eighth tax year of assessment, eleven percent of the scheduled depreciated value;

(7) for the ninth tax year of assessment, twenty-four percent of the scheduled depreciated value;

(8) for the tenth tax year of assessment, one hundred percent of the scheduled depreciated value; and

(9) for the eleventh and subsequent tax years, the solar energy system shall be assessed pursuant to Paragraph (3) of Subsection C of Section 7-36-33 NMSA 1978, so long as the solar energy system is used and useful in a business activity.

D. As used in this section:

(1) "depreciation" means straight line depreciation over the useful life of the item of property;

(2) "solar energy system" means a device that:

(a) is installed on residential property;

(b) includes equipment that is part of a system designed and installed to use, collect, store or distribute solar energy to provide electricity, heat or heated water to a residence where the device or equipment is installed;

(c) includes photovoltaic panels, solar thermal technology, energy storage equipment, mounting

.216723.1AIC February 6, 2020 (9:35am)

underscored material = new
[bracketed material] = delete
Amendments: new = →bold, blue, highlight←
delete = →bold, red, highlight, strikethrough←

equipment, support structures, tracking equipment, monitoring equipment or other power condition equipment; and

(d) is HENRC→used, produced, manufactured, held for sale,←HENRC leased or HENRC→maintained←HENRC HENRC→provided under a power purchase agreement←HENRC by a person for purposes of the person's profession, business or occupation; and

(3) "tangible property cost" means the actual cost of acquisition or construction of property, including additions, retirements, adjustments and transfers, but without deducting related accumulated provisions for depreciation, amortization or other purposes."

SECTION 2. APPLICABILITY.--The provisions of this act apply to the 2021 and subsequent property tax years.