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To: IPANM Members From: Karin Foster Date: January 15, 2015

Re: NM Session Pre-filed Legislation

Dear Members:

This year in Santa Fe, the Legislature will hold a 30-day session. The short sessions are intended to review budget issues only – but often the Governor issues messages on issues important to her, or members on the two Rules Committees find certain bills 'germane.'

I have compiled a short list of bills that have been pre-filed and as always, will add to the list as bills are introduced which I will send out to members on a weekly basis.

As always, if you have any questions, please feel free to contact me anytime. Thank you. Karin

| 2016 Session - IPANM review of bills | | | | |
|--------------------------------------|-----------|--|--|--|
| HOUSE bills | | | | |
| Bill # | HB 26 | SOLAR MARKET DEVELOPMENT CREDIT | | |
| | Maestas | repeals sunset for Solar credit, allows for up to 10% tax credit for the | | |
| Sponsor | Barnes | installation of solar thermal or photovolatic systems on a residence, business | | |
| Status | prefiled | or agricultural entity owned by the taxpayer; sunsets in 2025. | | |
| related bill | SB 13 | | | |
| sponsor | Stewart | | | |
| Bill # | HB 107 | REDUCED TAX RATE FOR CERTAIN OIL AND GAS WELLS | | |
| Sponsor | Strickler | Amends severance tax for gas from stripper well to 17/8th if value of gas is | | |
| status | prefiled | less than \$3; Amends severance tax for natural gas extracted from a stripper | | |
| related bill | | well to 2 3/16% if the average annual taxable value of gas was greater than | | |
| | | \$3 per mcf but not more than \$3.50 (increased from \$1.15 and \$1.35 | | |
| | | respectively); amends severance tax for oil from stripper wells to 17/8% if | | |
| | | value of oil is equal or less than \$60 (increased from \$15); if the value is | | |
| sponsor | | greater than \$60 but less than \$65, amends severance tax to 23/16%, | | |
| bill # | HB 110 | PUBLIC WORKS MINIMUM WAGE APPLICATION | | |



| sponsor | Townsend/ Scott | Amends the prevailing wage and benefits determinations for public works projecst to apply to Class A counties only. (100,000 population or greater) |
|--------------|--------------------|---|
| status | prefiled | |
| related bill | | |
| Sponsor | | |
| BILL# | <u>HB 112</u> | CARLSBAD BRINE WELL REMEDIATION |
| sponsor | Brown | IDENTICAL TO SENATOR LEAVELLS BILL SB 8 |
| status | prefiled | |
| related bill | SB 8 | |
| sponsor | Leavell | |

| SENATE bills | | |
|--------------|--------------|--|
| Bill # | <u>SB 8</u> | CARLSBAD BRINE WELL REMEDIATION |
| Sponsor | Leavell | creates a 5 member board consisting of all government personnel - the Chair |
| Status | prefiled | is the current mayor of Carlsbad, a representative from Eddy County |
| related bill | | Commission, the Secretary of EMNRD, Secretary of DOT and the Director of |
| | | the Carlsbad irrigation District; allows for acceptance of appropriations and |
| | | private donations; starts with a \$150000 appropriation. The Board shall set |
| | | policy, regulate and supervise the remediation of the Carlsbad brine well and |
| sponsor | CD 40 | may acquire or condemn property. |
| Bill # | SB 19 | DISASTER RESPONSE TAX & LICENSURE |
| Sponsor | Payne | This bill is to incentivize workers to come to NM during emergencies; natural |
| Status | prefiled | gas gathering, processing, storage and transmission are added to critical |
| related bill | | infrastructure definition. |
| sponsor | | |
| Bill # | <u>SB 22</u> | TAXATION OF IN-STATE SALES OF INTANGIBLES |
| | Wirth/Harpe | Expands sales tax factor to tangibles and intangibles including the sale, lease, |
| Sponsor | r | rental or license of real property and intangible property to the extent the |
| Status | prefiled | property is used in the state; |
| related bill | | |
| sponsor | | |
| Bill # | <u>SB 34</u> | TAX RATE DIFFERENTIAL OF CERTAIN OIL |
| Sponsor | Kernan | oil removed from natural gas at or near the wellhead produced from a |
| Status | | qualified EOR project that involved CO2 may receive a 17/8th% tax credit if |
| related bill | | the WTI price of oil is less than \$60 per barrel.(Other oil is left at a \$28 pbl |
| sponsor | | level) |
| Bill # | <u>SB 41</u> | CREATE INSPECTOR GENERAL OFFICE |
| Sponsor | Padilla | Creates a new office of the Inspector General to conduct investigations of |
| Status | prefile | state agencies; This is a new office within the Legislative branch which is |
| related bill | | overseen by a Committee consisting of 8 legislators. The IG will report |
| | | matters requiring criminal, civil or administrative action to the appropriate |
| sponsor | | agency. |
| Bill # | <u>SB 47</u> | UTILITY FACILITY PROPERTY TAX VALUATION |
| Sponsor | C. Sanchez | "All property used for the generation, transmission or distribution of electric |
| Status | prefile | power or energy that is contributed to the utility or constructed with funds |
| related bill | | contributed to the utility for that purpose shall not be valued; in addition, |
| sponsor | | tangible property costs may be devalued by including functional and economic obsolescence" This is a codification of a practice the Rural Co-ops |

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| | | have used in valuing their portfolios; there is a pending lawsuit by the Harding County Assessor to value a donated line at \$40 million which would increase rates for members of that co-op. This donation process has been used by operators to get lines build in the oil patch |
|--------------|--------------|---|
| Bill# | <u>SB 64</u> | NORTHEASTERN NEW MEXICO GROUNDWATER MAPPING |
| Sponsor | Woods | Grants an appropriation of 1,724,000 to NM Tech Bureau of Geology and |
| Status | | Mines to conduct hydrologic study of ground water aquifer and mineral |
| related bill | | resources underlying Harding, Colfax, Union and Mora Counties. |
| sponsor | | |
| Bill# | SJR 2 | PERMANENT FUNDS FOR CHILDHOOD EDUCATION |
| Sponsor | Padilla | To have a ballot measure to change the constitution to add another |
| Status | | beneficiary to the Land Grant Permanent Fund. |
| related bill | | |
| sponsor | | |
| Bill# | SJR 3 | PERMANENT FUNDS ANNUAL DISTRIBUTIONS |
| Sponsor | Padilla | To have a ballot measure to Permanently Increase annual distributions of |
| Status | | the fund from 5% to 5.8% to all beneficiaries; Governor Richardson had |
| related bill | | increased the distribution from 5 to 5.5% but that sunsets this year. |
| sponsor | | |
| Bill# | <u>SJM 4</u> | IMPORTANCE OF ENVIRONMENTAL EDUCATION |
| Sponsor | M. Sanchez | Asks the Governor to announce a week in April 'Environmental Education |
| status | | Week' and encourages PreK - 12 teachers to take students outside for 1 hour |
| related bill | | that week to study the environment. Demands SLO, CYFD, Governor and |
| | | EMNRD to study the feasibility of a grant program to study environmental |
| sponsor | | issues. |