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**FISCAL IMPACT REPORT**

SPONSOR:	Gonzales	DATE TYPED:	02/07/00	HB	393
SHORT TITLE:	Clarify Payment of Occupancy Tax			SB	
				ANALYST:	Williams

**REVENUE**

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		See Narrative		Local Governments

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to

**SOURCES OF INFORMATION**

LFC Files

Department of Finance and Administration, Local Government Division (DFA/LGD)

New Mexico Municipal League

## **SUMMARY**

### Synopsis of Bill

The bill would impose the lodgers tax on property management companies renting properties on a daily basis. This impact is expected to be principally in resort areas of the state. The effective date of the bill is July 1, 2000.

## **FISCAL IMPLICATIONS**

There is uncertainty on the potential revenue impact of the bill. There is a potential revenue increase from picking up certain activities of property management companies; however, some of these companies may already be paying the lodgers tax in some areas. The largest impact is expected in resort areas of the state because of their concentration of rental companies.

The attached tables show lodgers' tax collections for FY99 for counties and municipalities. In FY99, counties collected \$633.4, while municipalities collected the bulk of these receipts, \$20,935.9.

## **TECHNICAL ISSUES**

On page 4, line 20, the new language is not clearly understood.

AW/gm

Attachment