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FISCAL IMPACT REPORT

SPONSOR: Cisneros DATE TYPED: 03/13/01 HB _____
 SHORT TITLE: Acquisition of Certain Real Property SB 798
 ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB 974

SOURCES OF INFORMATION

LFC Files
 Taxation and Revenue Department

SUMMARY

Synopsis of Bill

Senate Bill 798 provides a means for an individual who owns adjoining property to acquire a quitclaim deed to a property listed on valuation records as “owned by an unknown owner.”

Significant Issues

To acquire a quitclaim deed for adjacent property owned by an “unknown owner”, an individual must:

- Have possessed the property exclusively for twenty-five years, during which time the property must have been subject to property taxation but never had taxes imposed on it;
- Pay all delinquent property taxes due on the property; and
- Submit the property for valuation and taxation and pay taxes on the property as well as any penalty and interest payments for a period of five years.

When the above requirements are met, the following steps must be taken:

- The county assessor must certify that the requirements have been met.

- The applicant must submit the certification to the board of county commissioners and request the quitclaim deed for the property.
- The board of county commissioners must issue the quitclaim deed.

The applicant then files the quitclaim deed with the county clerk. After one year from the filing, no person can challenge the applicant's title to the property.

ADMINISTRATIVE IMPLICATIONS

The task of assessing a property retroactively for twenty-five years and determining taxes that would have been paid on it may place a burden on county assessors and treasurers.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

This bill conflicts with House Bill 794, which provides another method for a person to claim title to property of an "unknown owner."

TECHNICAL ISSUES

TRD believes the provisions of the bill would be more properly placed in Chapter 47, Property Law.

OTHER SUBSTANTIVE ISSUES

TRD notes that the bill's intent is unclear, as there are methods currently in place to accommodate unclaimed property. If taxes are not paid on real property, TRD's Property Tax Division researches title to the property and offers it for sale within about three years after the property taxes are unpaid. TRD reports that it is therefore extremely unlikely that significant amounts of real property exist in New Mexico in which the owner is really unknown.

POSSIBLE QUESTIONS

1. Is this bill designed to address a particular piece of property, or is it designed to address more common occurrences?

LP/njw