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A JOINT MEMORIAL

REQUESTING THE UNITED STATES GOVERNMENT TO BASE PAYMENTS IN LIEU OF TAXES ON A FULL PROPERTY TAX EQUIVALENCY BASIS.

WHEREAS, payments in lieu of taxes are federal payments to local governments that help offset losses in property taxes due to the existence of nontaxable federal lands within their boundaries; and

WHEREAS, according to the United States department of the interior, New Mexico has twenty-two million three hundred sixty-nine thousand five hundred thirty-one acres of land eligible for payments in lieu of taxes; and

WHEREAS, New Mexico received forty-one million four hundred thousand dollars (\$41,400,000) of payments in lieu of taxes from the federal government in fiscal year 2020; and

WHEREAS, technology now exists to more accurately determine the property tax equivalency value of all federal lands in the state; and

WHEREAS, according to the congressional research service, when the federal government changed its public lands policy in 1976 from one of disposal to one of retention, congress agreed to make payments in lieu of taxes "to make up for the presence of nontaxable land" on a "tax equivalency" basis; and

WHEREAS, tax equivalency means the amount that would

1 have been received by these jurisdictions if the federal
2 lands were privately owned; and

3 WHEREAS, the federal commitment to pay the property tax
4 equivalency for payments in lieu of taxes is vital for
5 New Mexico's children and communities and is particularly
6 important during periods of fluctuating economic conditions;
7 and

8 WHEREAS, New Mexico appreciates every dollar of payments
9 in lieu of taxes received, yet the payments in lieu of taxes
10 that New Mexico receives are not the fair property tax
11 equivalency value, resulting in exponentially compounding
12 depressive impacts on funding for education and essential
13 government services, including first responder services, the
14 construction of roads, schools and other infrastructure and
15 search and rescue services; and

16 WHEREAS, the current fluctuating economic conditions
17 have intensified this structural burden borne by New Mexico
18 residents and communities to fund education and all other
19 government services;

20 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
21 STATE OF NEW MEXICO that it call upon the United States
22 congress and the president of the United States to base
23 payments in lieu of taxes on a full property tax equivalency
24 basis, as committed at the inception of the payment in lieu
25 of taxes program; and

1 BE IT FURTHER RESOLVED that the legislature of the state
2 of New Mexico call upon the United States congress and the
3 president of the United States to coordinate expeditiously
4 and in good faith with New Mexico and other willing states to
5 adopt such laws, regulations and policies as are necessary to
6 ensure that all future payments in lieu of taxes are
7 permanently made on a full property tax equivalency basis;
8 and

9 BE IT FURTHER RESOLVED that the legislature of the state
10 of New Mexico call upon all people of good will and local,
11 state and national leaders to come together to secure the
12 full and fair property tax equivalency of payments in lieu of
13 taxes for children and communities throughout New Mexico and
14 the nation; and

15 BE IT FURTHER RESOLVED that copies of this memorial be
16 transmitted to the president of the United States, the
17 vice president of the United States, the majority leader and
18 minority leader of the United States senate, the speaker and
19 minority leader of the United States house of representatives,
20 the New Mexico congressional delegation and the governor of
21 New Mexico.

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