

LFC Requester:	
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**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1/21/25
Bill No: H28-341

Sponsor: K.Cates;
Short Title: VALUATION OF RESTING
LAND IN DROUGHT

Agency Name and Code DFA-341
Number: _____
Person Writing Cecilia Mavrommatis
Phone: 5056905470 **Email:** Cecilia.mavrommatis

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$124.8	\$64.2	\$189.07	R	GF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

High level Summary Bullets

- House Bill 28 (HB28) amends Section 7-36-20 NMSA 1978 to refine the valuation of land used primarily for agricultural purposes in New Mexico.
- The bill allows the New Mexico Department of Agriculture, a conservancy district, or a soil and water conservation district to designate moderate drought conditions on resting land for property valuation purposes.
- It defines "agricultural products" and "agricultural use" and outlines criteria for land valuation based on its capacity to produce agricultural products.
- The Department of Finance and Administration (DFA) is tasked with adopting rules to determine whether land is used primarily for agricultural purposes and establishing procedures for valuing such land.
- Landowners must apply for this valuation method and report any changes in land use to the county assessor.

Responsibilities of DFA under HB28:

- Consider determinations from other governmental agencies regarding land's production capacity.
- Periodically review production capacities and capitalization rates to ensure accurate valuations.

Local Governments and Municipalities Impacts under HB28:

- Potential changes in property tax revenues due to the revaluation of agricultural land.
- County assessors are responsible for processing applications and monitoring compliance with the new valuation rules.
- Imposition of penalties on landowners who fail to report changes in land use, ensuring adherence to the new regulations.

FISCAL IMPLICATIONS

FTE Cost Detail	
Salary (70)	76,960.00
Benefits	27,538.00
ISD Rate	864.18
HCM Assessment Fee	350.00
Telecom Rate	616.01
On-Boarding Equipment	2,800.00
Total FTE Cost	109,128.19

Fiscal Impacts are to include 3 levels of approval for all necessary budget adjustments or corrections to entity submissions. An initial analyst entry (PB70), a bureau chief or supervisor review/approval (PB85), and the final approval from director to process budget request.

YEAR 1: Accounts for 2 additional workdays needed for assisting and processing documentation in year 1, standardizing of new process and procedures, training and additional travel associated with tax changes at county level. (FY26) for fully staffed budget analysts (5). 4,160 hrs annually @ hourly rate of \$30.00 (AVG)= 124,800

YEAR 2: Accounts for reduction in workload due to historical reference to revenue impacts for local entity budgets. Reduce workload to average recurring cost for routine maintenance as needed to process BARs associated with regular recertification trends at the county level. Increased workload is to be expected continuously moving forward due to recertification at the county level needed moving forward. FY27, 1 additional workday a week needed per 5 FTEs to support BARs associated with recertifications post-budget submission: for 5 FTEs @ hourly rate \$30 increased for inflation 3%. ($8 \times 52 \times 5 = 2080$; $2080 \times 30.9 = 64,272.00$).

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS