

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**  
**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.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}*

**Date Prepared:** March 6, 2025 *Check all that apply:*  
**Bill Number:** HB 477 Original  Correction   
 Amendment  Substitute

**Sponsor:** Representative Patricia A. Lundstrom **Agency Name and Code** Tourism 418  
**Short Title:** LODGER'S TAX EXEMPTION FOR LEGISLATORS **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI	NFI	NFI

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	NFI	NFI	NFI	NFI

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI	NFI	NFI	NFI

(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 of Original Bill: House Bill 477 amends the Lodgers' Tax Act to exempt New Mexico legislators from paying the occupancy tax when staying in temporary lodging in the county where the state capitol is located (Santa Fe) during a legislative session. Legislators qualify for this exemption only if they enter into a written lodging agreement for at least 30 consecutive days during a legislative session.

Synopsis of Committee Substitute: The House Government, Elections & Indian Affairs Committee substitute expands the occupancy tax exemption to apply statewide and to individuals who have been a permanent resident of the taxable premises or enters into a written agreement for lodging for at least 30 consecutive days.

#### **FISCAL IMPLICATIONS**

None.

#### **SIGNIFICANT ISSUES**

Lodgers' Tax is a key revenue source for many New Mexico counties, funding tourism-related activities and projects. Expanding the exemption beyond New Mexico legislators and applying it statewide could have broad economic and fiscal implications. Local governments could see a decline in lodgers' tax revenue and the supply of available short-term lodging may be reduced.

#### **PERFORMANCE IMPLICATIONS**

None.

#### **ADMINISTRATIVE IMPLICATIONS**

None.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

#### **TECHNICAL ISSUES**

None.

#### **OTHER SUBSTANTIVE ISSUES**

The lodgers' tax is a key funding source for tourism marketing, city services, and local infrastructure.

## **ALTERNATIVES**

None.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status Quo.

## **AMENDMENTS**

None.