

LFC Requester: _____

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to 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: 3/11/25 *Check all that apply:*
Bill Number: HB 477 Original Correction
 Amendment Substitute

Sponsor: Lundstrom **Agency Name and Code:** Municipal League (ML)
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		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate, potentially significant	Indeterminate, potentially significant	Indeterminate, potentially significant	Recurring	Municipalities

(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:

HGEIC Committee Substitute HB477

House Bill 477 amends the Lodgers' Tax Act by exempting all temporary lodging stays of 30 consecutive days or more from the occupancy tax.

FISCAL IMPLICATIONS

In LFC's FIR note, House Bill 477 is estimated to reduce Lodgers' Tax revenues for municipalities by \$7.3 million annually.

SIGNIFICANT ISSUES

House Bill 477 would reduce municipal Lodgers' Tax revenues. The loss of Lodgers' Tax revenues would limit cities' ability to promote local tourism through promotional activities, community events, and infrastructure improvements related to tourism. A decrease in tourism promotion would result in fewer tourist visits, which would negatively impact tourist spending, and consequently local GRT revenues. To maintain the current level of local tourism promotion, municipalities may need to divert funding from other areas. The effects of HB477 would be most strongly felt by municipalities with high levels of extended-stay lodging bookings.

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