

LFC Requester:	Laird Graeser
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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: 01/30/25 *Check all that apply:*
Bill Number: SB 192 Original Correction
 Amendment Substitute

Sponsor: Micaelita Debbie O'Malley and Harold Pope **Agency and Number:** Department of Veterans' Services 67000
Short Title: Veteran Property Tax Exemptions **Person Writing:** Danelle Lucero
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
30.0	65.0	Recurring	General Fund
10.0	25.0	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A		

(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	N/A	N/A	N/A			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: **HB47**
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE SB192 This narrative outlines a series of proposed amendments and enactments related to property tax law, with a particular focus on adjusting provisions for veterans' property tax exemptions, property valuation limitations, and certain administrative procedures. Key points include:

1. **Veterans' Property Tax Exemptions:** The legislation reflects changes to veterans' property tax exemptions based on constitutional amendments approved by voters in November 2024. A significant change is the allowance for veterans or their surviving spouses to transfer property tax exemptions to a different property in the same tax year by written request.
2. **Valuation Limits for Residential Property:** There will be a limitation on how much the value of residential property can increase, specifically in relation to physical improvements made to the property.
3. **Penalties and Form Requirements:**
 - The bill introduces administrative penalties for not timely reporting property transfer affidavits.
 - The requirement to mail a form declaring a property as residential will be removed.
 - Adjustments are also made to the form requirements for notices of valuation sent to property owners.
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4. **Compensation and Funding:**
 - The rate of pay for members of the County Valuation Protest Board is increased, adjusted for inflation.
 - Clarifications are provided regarding revenue streams into the County Property Valuation Fund.
5. **Emergency Declaration:** The bill includes a provision declaring an emergency, likely for immediate implementation of these changes.

These amendments aim to improve the efficiency and fairness of the property tax system, while also recognizing the service of veterans through expanded benefits.

BILL SUMMARY SB192 It amends property tax exemptions for disabled veterans and their surviving spouses, allowing for these exemptions to be transferred within the same tax year with a written request to the county assessor. It also includes a provision that limits increases in residential property valuations to certain physical improvements. Additionally, the bill introduces an administrative penalty for failing to report property transfer affidavits timely, removes the requirement to mail forms declaring property as residential, and updates the format for valuation notices sent to property owners. Lastly, the bill includes an increase in pay for county officials related to these processes.

Synopsis:

FISCAL IMPLICATIONS NMDVS is the designated component for veteran benefits eligibility. Due to the anticipated increase and additional requests for the new tax exemptions, the agency will require one (1) full-time (FTE) Eligibility Interviewer, pay band 55.

The agency will require additional funds for expanded outreach services and advertising budgets, to provide promotional materials informing Veterans and surviving spouses about the amendments to benefits.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES N/A

PERFORMANCE IMPLICATIONS N/A

ADMINISTRATIVE IMPLICATIONS The Increased volume of veterans seeking both exemptions, and the possibility of additional benefits to existing veteran benefits. NMDVS will need to accomplish internal training for current staff on amended tax exemptions. NMDVS will also need to develop a comprehensive marketing campaign to educate veterans statewide.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP - HB47

TECHNICAL ISSUES N/A

OTHER SUBSTANTIVE ISSUES N/A

ALTERNATIVES N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL –Veterans could miss out on potential savings or experience delays in receiving the benefits they are entitled to. The added language discussing the veterans’ exemption transfer adds a definitive 30day requirement that may be restrictive to disabled veterans and/or surviving spouses particularly for those who need to update their exemptions after moving or a veteran’s death.

AMENDMENTS N/A