

1 A MEMORIAL

2 REQUESTING THE ECONOMIC DEVELOPMENT DEPARTMENT, THE TOURISM
3 DEPARTMENT AND THE TAXATION AND REVENUE DEPARTMENT TO
4 ESTABLISH A WORK GROUP TO STUDY THE ECONOMIC IMPACT, TAXATION
5 AND REGULATORY FRAMEWORK OF SHORT-TERM RENTALS ACROSS NEW
6 MEXICO; REQUESTING SUSPENSION OF RECLASSIFICATION OF SHORT-
7 TERM RENTAL PROPERTIES UNTIL COMPLETION OF THE STUDY.

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9 WHEREAS, the Lodgers' Tax Act defines a short-term
10 rental as a furnished accommodation rented for less than
11 thirty consecutive days. This definition encompasses various
12 property types, including single-family homes, condominiums,
13 apartments and casitas; and

14 WHEREAS, short-term rentals have become an increasingly
15 significant part of New Mexico's tourism economy, providing
16 essential accommodations for visitors and serving as a
17 critical component of the state's hospitality industry; and

18 WHEREAS, short-term rentals also serve as a necessary
19 part of the housing market for traveling workers, including
20 health care professionals, construction crews and remote
21 employees who require flexibility and temporary lodging
22 options in areas with limited traditional accommodations; and

23 WHEREAS, some county assessors in New Mexico have begun
24 reclassifying short-term rental properties as nonresidential
25 for taxation purposes, creating potential implications for

1 property tax rates and regulatory compliance for short-term
2 rental owners and operators; and

3 WHEREAS, such reclassifications carry substantial
4 economic and legal ramifications, potentially forcing many
5 New Mexicans to cease offering short-term rentals, and it is
6 therefore in the public interest to conduct a comprehensive
7 study before permanent changes are made;

8 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
9 REPRESENTATIVES OF THE STATE OF NEW MEXICO that a short-term
10 rental work group be established by the economic development
11 department, the tourism department and the taxation and
12 revenue department to study the economic contributions,
13 workforce housing benefits, taxation policies and regulatory
14 considerations of short-term rentals statewide; and

15 BE IT FURTHER RESOLVED that this work group be composed
16 of representatives from the economic development department,
17 the tourism department, the taxation and revenue department,
18 the New Mexico office of housing, the New Mexico mortgage
19 finance authority, the New Mexico short-term rental
20 association, the New Mexico association of realtors and the
21 assessors affiliate of the New Mexico association of
22 counties, ensuring a collaborative and data-driven approach
23 to short-term rental policy evaluation; and

24 BE IT FURTHER RESOLVED that the study evaluate short-
25 term rental taxation policies, the impact of nonresidential

1 property tax classifications, zoning and permitting
2 regulations and potential pathways for a fair and balanced
3 regulatory framework for short-term rental operators and
4 local communities; and

5 BE IT FURTHER RESOLVED that the work group report
6 findings and policy recommendations to the appropriate
7 interim legislative committees by December 1, 2025; and

8 BE IT FURTHER RESOLVED that county assessors be
9 requested to suspend further reclassification of short-term
10 rental properties from residential to nonresidential until
11 the completion of the study, ensuring that policy
12 recommendations are based on data and economic analysis; and

13 BE IT FURTHER RESOLVED that copies of this memorial be
14 transmitted to the secretary of economic development, the
15 secretary of tourism, the secretary of taxation and revenue,
16 the New Mexico short-term rental association, the New Mexico
17 association of realtors and relevant local government
18 associations for appropriate distribution. _____

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