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FISCAL IMPACT REPORT

 NSOR: Fuller DATE TYPED: 01/21/02 HB HJR 7

SHORT TITLE: Property Tax Exemption for Seniors SB _____

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		NFI			

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Joint Resolution 7 proposes to amend Article 8 of the Constitution of New Mexico by adding a new section providing an exemption from taxation on the principal place of residence for persons seventy years of age or older. This proposed amendment also provides a twenty percent reduction in property taxes on the principal place of residence of persons sixty-five years old beginning on the person's sixty-fifth birthday and an additional 20% reduction for each of the following four years.

Significant Issues

If voters approve the amendment, the legislature would be allowed to pass enabling legislation.

FISCAL IMPLICATIONS

This proposed constitutional amendment would probably not reduce state or local revenue sources. Typically, the effect of this type of property tax policy is to shift the burden to other property tax payers since property rates could be adjusted as necessary.

ADMINISTRATIVE IMPLICATIONS

The LFC does not anticipate any significant administrative fiscal impact resulting from this constitutional amendment, but notes potential administrative costs corresponding to the complexity of subsequent enabling legislation.

OTHER SUBSTANTIVE ISSUES

HJR7 does not consider income levels of exemption beneficiaries.

The Taxation and Revenue Department needs to provide accurate numbers regarding the size of the beneficiary population in order to produce an accurate county-by-county revenue impact.

POSSIBLE QUESTIONS

If the intent of this amendment is to assist all New Mexico senior citizens, how can renters be aided?

LG/njw