

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Garcia DATE TYPED 3-08-2005 HB \_\_\_\_\_

SHORT TITLE Lower Historic Property Tax Value SB SJR 19

ANALYST Taylor

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
		(Uncertain)	Recurring	Local Governments
		(Uncertain)	Recurring	State G.O. Bonds

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of the Resolution

Senate Joint Resolution 19 proposes an amendment to the New Mexico Constitution authorizing the legislature to provide a lower value percentage of value against which property tax rates are assessed for historic property worthy of preservation. The legislature would be provided the legal authority to define such property. The percentage of value against which property tax rates are assessed would have to be at least twenty-two and nine-tenths percent.

The proposed amendment would be submitted to the people for approval or rejection at the next general election or a special election prior to then called for that purpose.

#### Significant Issues

The constitution currently requires that the percentage of value against which property tax rates are assessed is thirty-three and one-third percent. The proposed minimum rate for properties deemed worthy of preservation is twenty-two and two tenths percent. This implies a one-third reduction in property taxes for these properties.

**FISCAL IMPLICATIONS**

The fiscal implications of the resolution are uncertain because it is not known whether the voters would approve the constitutional amendment. It is also unknown how many properties the legislature would deem worthy of preservation status. However, should the amendment receive voter approval, there would be a negative fiscal impact to local government property tax revenues. Also, there would be a loss in general obligation bond capacity. These are likely to be small, however.

**BT/lg**