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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/08

SPONSOR Anderson LAST UPDATED _____ HJR 4

SHORT TITLE Senior Citizen Property Tax Exemption, CA SB _____

ANALYST Francis

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
		NFI	Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Joint Resolution 4 proposes to amend Article 8 of the New Mexico constitution to provide an exemption in valuation for persons over 70 years of age and reductions in valuation for persons 65 to 69 as follows:

Age	Reduction in Property Value
65	10%
66	20%
67	40%
68	60%
69	80%
70	100%

If enacted, the amendment would be submitted to the voters for approval at the next general election.

FISCAL IMPLICATIONS

As with other property tax exemptions, the fiscal impact is borne by those property owners who

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are not exempt as their rates would rise to meet the revenue requirements imposed primarily by general obligation debt. If a community has a large population over 65 years old, there may be revenue impacts if the local government decides it cannot raise rates.

SIGNIFICANT ISSUES

TRD notes that the “language of the proposed measure would require the exemptions, rather than allowing the legislature to consider the exemptions and pass appropriate enabling legislation following voter approval of the amendment.”

TRD highlights that that the measure would not take into account income of individuals receiving the exemption. “Hence young, low-income individuals who do not receive the exemption may object to the fact that their elderly counterparts, whom in some cases are quite wealthy, do receive it.”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Other property tax related bills considered include HB295, HB324, HJR1, HJR6, SB177, and SB355.

NF/mt