

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 (www.nmlegis.gov). 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

ORIGINAL DATE

SPONSOR Gallegos **LAST UPDATED** 1/26/15 **HB** 135

SHORT TITLE Delinquent Property Tax Electronic Levy **SB** _____

ANALYST Graeser

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17	FY18	FY19		
	>0	>0	>0	>0	Recurring	GO Bond Fund
	>0	>0	>0	>0	Recurring	All Local Property Tax Beneficiaries

(Parenthesis () indicate revenue decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office

SUMMARY

Synopsis of Bill (Description provided by AGO)

House Bill 135 amends Sections 7-1-31 and 7-1-32 NMSA 1978 to allow for the collection of delinquent property taxes by electronic warrant of levy. Aside from a number of non-substantive revisions (such as the substitution of gender-neutral language), the amendments effect one primary change and two minor changes:

First, the bill amends current law to allow for service of a warrant of levy in electronic format on a financial institution. (The current version is silent as to financial institutions.) Under the proposed amended version, a warrant of levy may be served on a financial institution as long as it complies with the Electronic Authentication of Documents Act and the Uniform Electronic Transactions Act.

In addition, the amendments contain the following minor changes to current law: (1) whereas current law requires "the secretary or secretary's delegate or any sheriff" to serve warrants of levy, the amendments expand this list to include a "certified law enforcement employee of the department of public safety"; and (2) the amendments allow for a warrant of levy (other than one

served on a financial institution pursuant to the Electronic Authentication of Documents Act and the Uniform Electronic Transactions Act) to be signed electronically.

The effective date of the act is July 1, 2015.

FISCAL IMPLICATIONS

This bill will aid collection of delinquent property taxes, but will not result in a significant increase in the amount of property taxes collected from any particular delinquency. However, by making the collection process easier and more efficient, the TRD/PTD collectors may be able to work more delinquencies. This is shown as an impact on the PTD operating budget.

SIGNIFICANT ISSUES

One indirect impact of this proposal will be to encourage delinquent taxpayers to negotiate with PTD for an installment agreement before the electronic levy against a bank account is made.

This is a good example of adapting State Government processes to a 21st century economy.

PERFORMANCE IMPLICATIONS

This will aid the PTD in achieving a higher rate of delinquent accounts resolved through a negotiated installment agreement or a final levy.

ADMINISTRATIVE IMPLICATIONS

Minimal. The procedures will have to be documented, but PTD collectors are well versed in manual procedures.

Expanding the list of persons allowed to execute seizure of property named in a warrant of levy to include a certified law enforcement employee of the department of public safety is unlikely to result in any significant increase in workload of State Police Division.

TECHNICAL ISSUES

This bill does not contain a sunset date. The LFC staff recommends adding a sunset date.

LG/bb