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FISCAL IMPACT REPORT

ORIGINAL DATE 2/13/22

SPONSOR De La Cruz LAST UPDATED _____ HM 53

SHORT TITLE Impact of Capping Certain Property Taxes SB _____

ANALYST Torres

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Greater than \$25.0				Nonrecurring	TRD- General Fund Operating Impact

Parenthesis () indicate expenditure decreases

Duplicates, Relates to, Conflicts with, Companion to
 Duplicates Appropriation in the General Appropriation Act
 Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
 New Mexico Attorney General (NMAG)

No Response Received
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Memorial

HM53 requests the property tax division of the Taxation and Revenue Department (TRD) to conduct a study to determine the impact to all property owners in each county if property taxes were capped for the primary places of residence of persons age 75 and older for 25 years. Both the property tax division and the chair of the assessor's affiliate of the New Mexico Association of Counties shall report TRD's findings to the Legislature on or before December 15, 2022.

FISCAL IMPLICATIONS

Likely to have an operating budget impact to TRD in staff hours necessary to conduct the study. The total cost is not reported by TRD.

SIGNIFICANT ISSUES

Though many bills propose changes to property tax caps and valuations, further study is often needed to determine the financial impact of such changes. This memorial would satisfy the need for more study for the particular proposal of capping valuations for those older than 75.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB71 Limit Property Tax Valuation Increase;
HB158 Real Estate Transfer Taxes and Social Security; and
HB181 Payment in Lieu of Taxes for Real Property.

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