

LFC Requester:

Laird Graesser

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Date 1/21/2025 *Check all that apply:*
Bill Number: HB 47 Original Correction
 Amendment Substitute

Sponsor: Rep. Art De La Cruz
Short Title: VETERAN PROPERTY TAX EXEMPTIONS

Agency Name and Code**Number:** NMFA (385)**Person Writing** Marquita Russel**Phone:** 505-992-9619 **Email** mrussel@nmfa.net**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 47 increases property tax exemptions for veterans to \$10,000 per year, beginning in 2026 and adjusting for inflation each year thereafter. HB 47 also expands the definition of veteran to include individuals discharged for service-connected disabilities.

FISCAL IMPLICATIONS

The increased exemption provided in HB 47 will reduce the overall assessed valuation of properties, thereby decreasing the collections. Additionally, mill assessments will need to be adjusted to account for the lower overall assessed valuation of the properties to ensure the proper amount of property tax is collected for current payments on voter authorized bonds. Because the increased exemption will lower the total assessed valuation, it is likely that homeowners who do not enjoy the larger exemption will shoulder a greater portion of tax collections needed to retire bonds though it is not expected to be a material impact.

SIGNIFICANT ISSUES

HB 47 implements the increased exemptions approved by the voters during the 2024 general election.

ADMINISTRATIVE IMPLICATIONS

The Department of Finance and Administration is responsible for adjusting the assessments to generate sufficient revenue to meet bond obligations.