LFC Requester:

Jorgensen

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 Prepared:	31 January 2025	Check all that apply:	
Bill Number:	SB112	Original _x	Correction
		Amendment	Substitute

Sponsor: Wirth		Agency Name and Code Number:	NM Independent Community Colleges 994	
Short	Higher Ed Housing Facility	Person Writing	Vanessa K. Hawker	
Title:	Property Tax	Phone:	Email vhawker@hawkerhynson.com	

SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	Recurring or Nonrecurring	Fund Affected
Total	Indeterminate	Indeterminate	Indeterminate		

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

<u>Synopsis:</u> Senate Bill 112 (SB112) amends 7-36-4 NMSA 1978 clarifying that any improvements made to land owned by an entity exempt from property taxation, regardless of whether the improvements were made by a nonexempt entity so long as the improvements are:

- Residential housing facilities for the use of students or medical residents of an exempt institution of higher learning enumerated in Article 12, Section 11 of New Mexico's constitution, and
- is located on land owned by the institution, and
- is leased by the institution to a nonexempt entity to operate or assist the institution in operating the residential housing facilities

FISCAL IMPLICATIONS

SB112 clarifies in statute that institutions enumerated in the constitution will not be charged

property tax for residential housing facilities for students located on institution land is exempt from property tax.

SIGNIFICANT ISSUES

SB112 applies only to institutions enumerated in Article 12, Section 11 of New Mexico's constitution.

New Mexico's independent community colleges are authorized in 21-13-1 NMSA 1978, they are not included in SB112's statutory clarification. Currently the NMICC institutions not enumerated in the constitution that have residential housing operate that housing themselves and clarification is not needed at this time. The statutorily authorized NMICC members with residential housing are San Juan College and New Mexico Junior College.

Any improvements made to higher education institution residential housing on institution land, regardless of whether the improvements were made by the institution or a private entity that operates the facility for the institution, are made for the benefit of the students. Property put to use for educational uses are generally exempt from property taxes.

AMENDMENTS

Amend SB112 to include institutions authorized in 21-13-1 NMSA 1978.