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FISCAL IMPACT REPORT

ORIGINAL DATE 02/28/13

SPONSOR Rodriguez LAST UPDATED _____ HB _____

SHORT TITLE Agricultural Property Valuation Times SB 510

ANALYST Smith

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Senate Bill 510 amends Section 7-36-20 NMSA 1978, to change the time for an application to use the valuation method for land used primarily for agricultural purposes from being due by the last day of February of the tax year, to being due thirty days after the date of mailing by the assessor of the notice of valuation.

ADMINISTRATIVE IMPLICATIONS

The change from making the application due by the last day of February of the tax year to being due thirty days after the mailing of the notice of valuation could create an administrative problem for the assessors in being able to accept the valuation for the current tax year. Making the application due by the last day of February has the effect of giving the assessors enough time to review the application and confirm the agricultural use before sending out the valuation. Providing for a 30-day deadline after the assessor sends out the notice of valuation would mean that the assessor would have to review the application and possibly send out a new notice of valuation later in the year. This could create administrative problems for assessor's offices that may already be extremely short staffed in a compressed time period.

TECHNICAL ISSUES

This bill does not contain a sunset date. The Legislative Finance Committee (LFC) recommends adding a sunset date.

Does the bill meet the Legislative Finance Committee tax policy principles?

1. **Adequacy:** Revenue should be adequate to fund needed government services.
2. **Efficiency:** Tax base should be as broad as possible and avoid excess reliance on one tax.
3. **Equity:** Different taxpayers should be treated fairly.
4. **Simplicity:** Collection should be simple and easily understood.
5. **Accountability:** Preferences should be easy to monitor and evaluate

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