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## FISCAL IMPACT REPORT

**BILL NUMBER:** House Joint Resolution 8

**SHORT TITLE:** Property Tax Refund for Nuisance Laws, CA

**SPONSOR:** Montoya

**LAST ORIGINAL**  
**UPDATE:** \_\_\_\_\_ **DATE:** 2/3/2026 **ANALYST:** Faubion

### REVENUE\* (dollars in thousands)

| Type         | FY26 | FY27                           | FY28                           | FY29                           | FY30                           | Recurring or Nonrecurring | Fund Affected     |
|--------------|------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------|-------------------|
| Property Tax | \$0  | Indeterminate but minimal loss | Indeterminate but minimal loss | Indeterminate but minimal loss | Indeterminate but minimal loss | Recurring                 | Local Governments |

Parentheses indicate revenue decreases.

\*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

| Agency/Program | FY26 | FY27         | FY28             | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected     |
|----------------|------|--------------|------------------|-------------------|---------------------------|-------------------|
| SOS            |      | Up to \$52.0 | No fiscal impact | Up to \$52.0      | Nonrecurring              | Other state funds |

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

#### Agency or Agencies Providing Analysis

Secretary of State

#### Agency or Agencies That Were Asked for Analysis but did not Respond

Taxation and Revenue Department

Department of Finance and Administration

Attorney General's Office

NM Municipal League

NM Counties

## SUMMARY

### Synopsis of House Joint Resolution 8

House Joint Resolution 8 (HJR 8) proposes a constitutional amendment to Article 8 of the New Mexico Constitution requiring a municipality or county to refund property taxes to a property owner when the local government fails to enforce its public nuisance laws and that failure results

in damage to the owner's real property. The refund would be limited to the amount reasonably necessary to mitigate the effects of the local government's failure and may not exceed the amount of property taxes paid to that municipality or county for the property in the prior tax year. The resolution places the burden of proof on the claimant to demonstrate actual ownership of the property and the amount of mitigation costs incurred.

The joint resolution provides the amendment be put before the voters at the next general election (November 2026) or a special election called for the purpose of considering the amendment. The amendment would only be effective if approved by voters.

## **FISCAL IMPLICATIONS**

Under Section 1-16-4 NMSA 1978 and the New Mexico Constitution, the Secretary of State (SOS) is required to print samples of the text of each constitutional amendment in both Spanish and English in an amount equal to 10 percent of the registered voters in the state. SOS is required to publish the samples once a week for four weeks preceding the election in newspapers in every county in the state. The number of constitutional amendments on the ballot may impact the ballot page size or cause the ballot to be more than one page, also increasing costs. The estimated cost per constitutional amendment is \$35 thousand to \$50 thousand, depending on the size and number of ballots and if additional ballot stations are needed.

Should this proposed constitutional amendment be approved by voters, the fiscal impact of this resolution is expected to be small and limited to local governments, as it authorizes refunds of previously paid property taxes only in cases where a municipality or county fails to enforce public nuisance laws and that failure results in damage to private property. Any refund would be capped at the amount of property taxes paid to the local government for the property in the prior tax year, limiting overall revenue exposure. However, the precise fiscal impact is difficult to estimate due to the lack of data on the number of properties that may qualify, the magnitude of property damage and mitigation costs, variation in local property tax levies and assessed values, and the frequency with which local governments fail to enforce nuisance laws in a manner that results in compensable harm. As a result, while impacts are likely modest, actual revenue losses to counties and municipalities cannot be reliably quantified.

## **SIGNIFICANT ISSUES**

This resolution is intended to provide relief to property owners harmed by a municipality's or county's failure to enforce public nuisance laws by allowing a refund of property taxes to offset mitigation costs. While the intent is to create accountability for local governments and provide a remedy for affected property owners, several legal, administrative, and policy issues may arise.

Not all municipalities and counties have adopted public nuisance ordinances, and among those that do, the scope, enforcement mechanisms, and legal "teeth" of such laws vary widely. As a result, the availability and consistency of relief could differ substantially across jurisdictions, potentially leading to unequal treatment of similarly situated property owners depending on local ordinance design and enforcement practices.

The resolution places the burden of proof on the claimant to establish both bona fide ownership of the property and the amount of mitigation costs attributable to the local government's failure

to enforce nuisance laws. Demonstrating a causal link between non-enforcement and specific property damage may be difficult, particularly where damages develop over time or involve multiple contributing factors. This evidentiary burden could limit the practical use of the refund and increase the likelihood of disputes or litigation.

The resolution may also raise questions about eligibility and application, including whether the owner of the nuisance property itself could claim a refund if the damage is self-inflicted or related to conditions on that owner's parcel. Additional ambiguity may arise in determining what constitutes a failure to enforce, what mitigation costs are "reasonably necessary," and how refund claims would be evaluated and administered by local governments.

From an administrative perspective, municipalities and counties may face new responsibilities related to claim review, documentation, and potential refunds, which could increase administrative costs and legal exposure. More broadly, the resolution could create uncertainty for local governments regarding liability for enforcement decisions, potentially influencing enforcement priorities or resource allocation in ways that are difficult to predict.

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