



October 21, 2026

The Honorable Doreen Gallegos, Chair
Members of the Economic and Rural Development and Policy Committee
New Mexico Legislature

RE: Airbnb's 2027 Legislative Priorities – Protecting New Mexico Homeowners and Lodgers' Tax Modernization

Dear Chair Gallegos, Vice Chair, and Members of the Committee:

Thank you for the opportunity to appear before you today on behalf of Airbnb and the many New Mexicans who participate in home sharing. We appreciate the Committee's leadership on issues affecting economic opportunity, local communities, and the continued growth of New Mexico's tourism economy.

I also want to thank the legislators, local government officials, and other stakeholders who have taken the time to work with us over the past year. These conversations have helped us better understand the challenges facing homeowners and municipalities across the state and have informed the solutions we are pursuing.

Today, I want to share two specific legislative priorities that Airbnb hopes to advance during the 2027 legislative session. The first is protecting the residential property tax classification of New Mexico homeowners who share their homes as short-term rentals. The second is modernizing local lodgers' tax collection by establishing a statewide requirement for booking platforms to collect applicable local lodging taxes at the point of sale.

Although these proposals address different parts of New Mexico's tax system, they share a common objective: making our tax laws fairer, more consistent, and easier to administer for homeowners, local governments, and the state.

Priority One: Protecting Residential Property Tax Classification

Our first priority is an issue of basic fairness for New Mexico homeowners.

Across the state, thousands of New Mexicans participate in home sharing. Some rent out a spare bedroom in the home where they live. Others share their entire home while traveling or visiting family. Some own a second home that they rent when they are not using it themselves.

For many, this is not simply a business venture. It is an important source of supplemental income that helps cover mortgage payments, property taxes, maintenance costs, and the rising cost of everyday life.

Home sharing can make the difference between a family being able to maintain a property or having to sell it. It can help retirees remain in their communities, support families managing increasing expenses, and allow homeowners to make productive use of property they already own.

Unfortunately, some of these same homeowners are facing uncertainty about how their properties are classified for property tax purposes.

In Bernalillo County, in particular, the use of residential properties as short-term rentals has raised questions about whether those homes should continue to be classified as residential or instead be treated as commercial property.

That distinction matters. A home that is reclassified as commercial can potentially result in substantial increases in annual property taxes.

For an ordinary homeowner, that financial uncertainty can be significant. A property that was affordable one year may become considerably more expensive the next, even though the physical nature of the home has not changed.

Consider a homeowner in Albuquerque who occasionally rents out their property during the International Balloon Fiesta or other major events. The home remains a home. It has not been converted into a hotel, office building, or retail establishment. Yet the fact that the homeowner welcomes paying guests can raise questions about whether that property should continue receiving residential tax treatment.

We believe New Mexico can and should establish greater clarity on this issue.

Our ask is simple, establish a consistent statewide standard ensuring that residential properties are not reclassified as commercial solely because they are offered or used as short-term rentals.

This would not exempt homeowners from paying property taxes. Nor would it exempt short-term rentals from applicable gross receipts taxes, lodgers' taxes, or other lawful tax obligations.

It would simply clarify that the duration of a residential rental should not, by itself, determine whether a home is treated as residential or commercial property for tax purposes.

A residential property rented to someone for twelve months should not automatically receive more favorable property tax treatment than an otherwise comparable residential property rented for several shorter stays.

We also believe that homeowners deserve predictability. A family should not face dramatically different tax treatment simply because its property is located on one side of a county boundary rather than another.

New Mexico has an opportunity to establish a clear, consistent framework that protects homeowners while providing county assessors with the statutory guidance they need to administer the law fairly.

During the 2026 legislative session, we worked with Senator Jay Block and other stakeholders on legislation addressing this issue. Although that legislation did not advance, the underlying concern remains unresolved.

Since then, we have continued conversations with important stakeholders including New Mexico Realtors, local homeowners, Bernalillo County officials, and other interested parties about how to develop a workable solution for 2027.

We appreciate the willingness of these stakeholders to engage and believe there is an opportunity to develop legislation that protects homeowners while giving county officials the clarity and consistency they need.

Priority Two: Modernizing Local Lodgers' Tax Collection

Our second legislative priority addresses a very different challenge, but one that is equally important to local governments and New Mexico's tourism economy.

New Mexico communities depend on lodgers' tax revenue to support tourism promotion and other legally authorized local purposes. We also recognize the importance of these revenues and we believe visitors who stay in short-term rentals should contribute applicable lodging taxes.

The challenge is that New Mexico's local lodgers' tax system is administered through numerous municipalities and counties, each with its own processes and requirements.

For some local governments, this can make collecting all applicable taxes more difficult. For hosts, it can mean navigating unfamiliar local tax obligations and administrative requirements they are unfamiliar with. And for booking platforms, it creates a complicated system in which tax collection and remittance obligations can vary considerably from one jurisdiction to another.

Over the past year, we have had conversations with several legislators, local government officials, and other stakeholders about how New Mexico might modernize this system.

During the 2026 legislative session, we worked with Representative Nathan Small and legislative staff on House Memorial 62, which sought to further examine opportunities for improving and modernizing lodgers' tax collection.

Our initial conversations focused heavily on the possibility of centralizing local lodgers' tax administration through the New Mexico Taxation and Revenue Department.

We continue to believe that centralized administration deserves consideration. However, subsequent conversations with municipalities and other stakeholders have helped us identify what may be a simpler and more immediately workable approach.

This year I have met with folks from various local governmental entities, including but not limited to cities like Las Cruces, Angel Fire, and Otero County, who have all reached out to discuss local lodgers' tax collection challenges, and we are committed to helping them.

These conversations have made it clear that local governments want to collect the taxes they are already legally entitled to receive, and they should not have to develop complicated individual solutions to accomplish that goal.

Our legislative request is to establish a statewide requirement for qualifying short-term rental booking platforms to collect applicable local lodgers' taxes at the point of sale and remit those taxes to the appropriate local governments.

In practical terms, when a visitor books a short-term rental through a covered platform, the applicable local lodgers' tax would be calculated and collected as part of that transaction.

The platform would then be responsible for remitting the collected tax to the appropriate local government under a clear and consistent statutory framework.

For the guest, the process would be straightforward. For the host, it would reduce the burden of calculating and remitting taxes on bookings already processed through the platform. And for the municipality, it would establish a more reliable mechanism for collecting revenue associated with those transactions.

Importantly, this approach would not require the state to take control of local lodgers' tax revenues.

Municipalities and counties would retain their existing authority to impose applicable local taxes, establish rates within state law, and receive the revenues generated in their jurisdictions. The state would establish the uniform collection obligation, while local governments would continue receiving the revenue.

We believe this approach could address many of the practical concerns raised by municipalities without requiring a complete restructuring of New Mexico's local tax administration system. It would also create a more consistent standard for booking platforms operating throughout New Mexico, rather than requiring every municipality to separately negotiate or develop its own collection framework.

We understand there are important implementation details that would need to be worked through, and welcome those conversations.

Our goal is not to dictate a solution to local governments. It is to work with them to develop a framework that improves compliance, preserves local revenue, and makes tax collection easier for everyone involved. We believe this is an opportunity for New Mexico to make local governmental entities more efficient.

A Collaborative Path Toward 2027

Chairwoman Gallegos and members of the Committee, I want to emphasize that Airbnb is approaching both of these priorities with a commitment to collaboration.

We recognize that property taxation and local revenue administration involve important responsibilities for county assessors, municipalities, the Taxation and Revenue Department, and the Legislature. Any successful legislation must account for those responsibilities and be practical to implement.

That is why we have spent much of this year engaging with a variety of stakeholders including the local host community, county officials, municipal representatives, legislative leadership, and other stakeholders. We believe the most durable solutions are developed through these conversations, with a clear understanding of how proposed changes will affect the people and institutions responsible for implementing them.

We also believe these proposals reflect values that New Mexicans across the political spectrum can support. Homeowners should be treated fairly. Families should have opportunities to earn supplemental income and maintain their homes. Local governments should receive the tax revenue they are legally entitled to collect. And government should strive to make compliance as straightforward and efficient as possible.

These are not competing goals. With thoughtful legislation, New Mexico can advance all of them.

Closing and Legislative Request

As the Legislature prepares for the 2027 session, we respectfully ask for the Committee's support in advancing two specific statutory solutions.

We stand ready to work with this Committee, legislative leadership, state agencies, municipalities, county officials, and our coalition partners to refine these proposals and help advance workable legislation in 2027.

Thank you again, Chairwoman Gallegos and members of the Committee, for inviting us to participate today and for your thoughtful consideration of these issues. I appreciate the opportunity to share our priorities and would be happy to answer any questions.

Sincerely,
Ricco Miguel Garcia
Airbnb Public Policy