

**44TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION,  
2000**

INTRODUCED BY  
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A JOINT MEMORIAL

1. REQUESTING A STUDY OF THE TAX STRUCTURE AND ITS IMPACT  
ON LOCAL LAND USE AND DEVELOPMENT.

WHEREAS, municipalities and counties throughout New Mexico often find themselves competing with each other for gross receipts and property taxes generated from new development; and

WHEREAS, fiscal disparities may exist between communities that fuel this competition for the revenue stream from gross receipts and property taxes; and

WHEREAS, such competition undermines the community's ability to effectively plan and manage growth in a fiscally sound manner; and

WHEREAS, the current property tax structure may unintentionally encourage sprawl development and discourage reinvestment within existing communities; and

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1           WHEREAS, municipalities and counties need a clearer  
2 accounting from the state of the gross receipts each  
3 contributes to the state and a clearer understanding of the  
4 existing local-state revenue-sharing formula; and

5           WHEREAS, the public, municipalities, counties, school  
6 districts and others need to understand the basic funding  
7 mechanisms and their impact on growth, development and a  
8 community's land use decisions;

9           NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
10 STATE OF NEW MEXICO that the local government division of the  
11 department of finance and administration, in cooperation with  
12 the department of taxation and revenue, be requested to study  
13 the existing taxation structure, including property taxes on  
14 vacant and improved land and gross receipts taxes, and how  
15 that taxation structure affects local land use development  
16 and inter-jurisdictional relations; and

17           BE IT FURTHER RESOLVED that the local government  
18 division of the department of finance and administration  
19 report its findings to the revenue stabilization and tax  
20 policy committee on or before December 1, 2000; and

21           BE IT FURTHER RESOLVED that copies of this memorial be  
22 transmitted to the secretaries of finance and administration  
23 and taxation and revenue and to members of the revenue  
24 stabilization and tax policy committee.  
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