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## FISCAL IMPACT REPORT

SPONSOR: Garcia, M.P.                      DATE TYPED: 03/16/01    HB    HJR 5/aSFC

SHORT TITLE: Property Tax Exemption for Disabled Vets, CA    SB

ANALYST: Williams

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		NFI		

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to HJR 2

### SOURCES OF INFORMATION

LFC Files  
 Taxation and Revenue Department (TRD)  
 Veteran Service Commission (VSC)

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee amendment restricts the property tax exemption to “100 percent” permanent and total service-connected disability.

#### Synopsis of Original Bill

The bill proposes an amendment to Article 8, Section 15 of the New Mexico Constitution such that totally disabled, honorably discharged veterans would qualify for exemption from property tax for the principal place of residence. The measure would be before the voters at the next general election or at any special election called for that purpose.

As adopted by the voters in 1998, this exemption is currently limited to those totally disabled, honorably discharged veterans who have received a federal grant for adapting the residence for their disability. The proposed constitutional change would eliminate the requirement that the residence is modified to accommodate the disability. Therefore, the number of eligible disabled veterans would increase.

#### Significant Issues

## **House Joint Resolution 5/aSFC -- Page 2**

The VSC notes that by proposing to delete the requirement that applicants for a property tax exemption obtain the rehabilitative housing grant, all disabled veterans would be entitled to the exemption. The VSC points out that some veterans have a 0% or 5% disability for problems such as near-sightedness that could qualify them for the exemption because they are permanent and totally disabled, and indicates the state has more than 180,000 veterans, many of whom have some slight or minor disability resulting from military service. The VSC recommends placing “one hundred percent” before the words “permanent and total” to clarify a potential flaw and ensure only significant disabilities are covered.

### **FISCAL IMPLICATIONS**

TRD estimates no significant fiscal impact on state general obligation bond funding or various local funds.

AW/njw:lrs:ar