NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: V	Watchman	DATE TYPED:	03/01/01	HB	873
SHORT TITLE: "Indian Country" Defined		ined		SB	
			ANAL	YST:	Woodlee

REVENUE

Estimated Revenue		Subsequent	Recurring	Fund
FY01	FY02	Years Impact	or Non-Rec	Affected
	(Indeterminate)	See Fiscal Implications Narrative	Recurring	Local Property Tax Revenue

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Taxation and Revenue Department State Highway and Transportation Department LFC Files

SUMMARY

Synopsis of Bill

House Bill 873 defines "Indian Country" for when the term is used in statutes.

Significant Issues

The bill prescribes four sections that define "Indian Country." The first three (Sections A - C) follow the current definition that is found in federal statute (18 U.S.C §1151). The bill proposes to broaden the federal definition to include lands subject to "restriction by the United States against alienation." This means the definition would be extended to lands held in fee by a tribe. Under federal statute (25 U.S.C. §177), all land owned by tribes are subject to restriction by the United States against alienation. Thus, according to the Taxation and Revenue Department, the definition would include any land a tribe would acquire.

However, under *Buzzard v. Oklahoma Tax Commission*, 992 F.2d 1073 (10th Cir. 1993), the federal definition of "Indian Country" for tax purposes does not include fee land owned by the tribe subject to restriction against alienation. It is questioned by the SHTD's Office of General Counsel if the proposed state law conflicts with federal law. If it does, then the federal law will take precedent.

House Bill 873 -- Page 2

Also, they indicate that New Mexico and federal courts have consistently adhered to the federal statutory definition.

FISCAL IMPLICATIONS

There is no appropriation contained in this bill. According to the Taxation and Revenue Department there is an indeterminate fiscal impact that depends on how much land individuals and tribes acquire in fee and where that land is located.

MW/sb:lrs