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FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 3-13-03 HB _____

SHORT TITLE: County Treasurers' Equipment Fee SB 600

ANALYST: Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From

Taxation and Revenue Department (TRD)
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 600 would allow county commissioners, by resolution, to impose “county treasurer’s equipment fees” on all property tax bills in their counties. Proceeds of the fees would be employed to purchase computers and other equipment, as well as staff training on office procedures and equipment for treasurers’ offices. The fees are to be “separately identified and stated on the property tax bill and shall be included in the total shown in the bill as due”. Fees are to be collected and enforced as if they are property taxes, except that no interest or penalty is to be charged for nonpayment. The fees may not exceed fifty cents in class A counties; \$1 in class B counties with assessed value over \$300 million; and \$2 in all other counties.

FISCAL IMPLICATIONS

TRD notes that SB 600 would not impact state revenue sources because the fees could probably

not legally be imposed, and the measure would generate no revenues whatsoever (see note below). Information is not available to the Department regarding the number of tax bills issued by county treasurers. TRD notes that a total of approximately \$1.4 million in revenues would be generated if all counties imposed the proposed fees. The actual figures would probably be 10 to 20 percent less than figures shown because tax bills are often issued for more than one parcel.

TECHNICAL ISSUES

1) Article 8, Section 2 of the New Mexico Constitution states that property taxes that are not approved by voters may not exceed 20 mills. Section 7-37-7(B) NMSA 1978 allocates the 20 mills among counties (11.85 mills), municipalities (7.65 mills) and school districts (.5 mills). The proposed measure would, in effect, impose a property tax that falls outside these limits and therefore be subject to legal challenge.

2) The proposed bill is also inconsistent with Article 8, Section 1 of the New Mexico Constitution stating that taxes on tangible property must be in proportion to value of the property.

3) Imposing fees based on owner receipt of property tax bills is somewhat arbitrary, because any particular bill may be collected for taxes imposed on a single, or many parcels.

4) Statutes similar to the proposed measure typically limit the length of time a tax may be imposed. The proposed measure contains no such limitation.

SN/lr