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## FISCAL IMPACT REPORT

SPONSOR Smith DATE TYPED 2/06/04 HB \_\_\_\_\_

SHORT TITLE Residential Real Property Transfer Affidavits SB 8/aSJC

ANALYST Neel

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
		NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Response Received From

Taxation and Revenue Department (TRD)

### SUMMARY

#### Synopsis of SJC Amendment

The Senate Judiciary Committee amendment restores the phrase: “to be used only for analytical and statistical purposes in the application of appraisal methods.” TRD states that restoring the language will likely prevent use of information gleaned from affidavits in protest hearings. The amendment also added the phrase “a deed transferring nonresidential property” following a phrase stating that affidavits “shall not be required for” currently in statute. Effect of the second amendment is to further clarify that the disclosure provisions do not apply to nonresidential properties

#### Synopsis of Original Bill

Senate Bill 8 amends statute regarding the property tax code to clarify that affidavits are required only for residential property transfer and agents of sellers are allowed to provide affidavits to county assessors. The bill strikes the phrase stating affidavits are to contain information “to be used only for analytical and statistical purposes in the application of appraisal methods”.

Significant Issues

According to TRD, current statute requires persons presenting deeds, real estate contracts and similar documents for recording with county clerks to file affidavits with county assessors. The affidavits must provide various types of information regarding real estate transfers, including price of property sold, a legal description of the property, and names and addresses of buyers and sellers. Provisions of the statute creating the affidavit requirements were, when enacted, intended to apply to residential property only, and to facilitate real estate appraisal by county assessors.

Additionally, the phrase “to be used only for analytical and statistical purposes in the application of appraisal methods” may be interpreted to mean that information on affidavits may not be used in actually assessing specific properties, and that it may not be used as evidence in protest hearings. Eliminating the phrase will therefore make it clear that prices and similar information on the affidavits may be employed in assessing properties and in indicating the bases for assessments in protest proceedings.

**FISCAL IMPLICATIONS**

SB 8 does not contain an appropriation nor does it have a fiscal impact.

SN/lg:yr