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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/08  
 LAST UPDATED 1/31/08      HB 264/aHTRC

SPONSOR Lujan, B

SHORT TITLE Residential Property Transfer Affidavits      SB \_\_\_\_\_

ANALYST Earnest

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation & Revenue Department (TRD)

#### No Responses Received From

Department of Finance and Administration

Association of Counties

New Mexico Municipal League

### SUMMARY

#### Synopsis of the House Taxation and Revenue Committee Amendment

The HTRC amendment clarifies that the affidavits may be used in a county valuation protest hearing or actions filed in district court, if the information is material to resolving the dispute.

#### Synopsis of Bill

House Bill 264 allows the release of residential property transfer affidavits used to value the property of a property owner who has filed a protest before a county valuation protest board.

Taxation and Revenue Department adds that Section 7-38-21.1 NMSA 1978 of the Property Tax Code currently requires residential property owners to submit affidavits disclosing sales information to county assessors when they sell or otherwise transfer property. The statute, however, also states that that information on the affidavits must contain only specific information to be used "only for analytical purposes in the application of appraisal methods." The proposed

legislation would amend the referenced statute to stipulate that the information may be released for a county protest board hearing in which the information is material to resolving the dispute.

### **ADMINISTRATIVE IMPLICATIONS**

The proposed measure would impose no significant administrative costs on the Taxation and Revenue Department or local governments, and would improve administration of the property tax system. The measure would provide county assessors and representatives of the Property Tax Division who serve on county protest boards with improved information on which to base their decisions.

### **TECHNICAL ISSUES**

TRD explains that assuming the intent of the bill is to make permissible the use of the affidavit before a county valuation protest board, and not in a district court hearing, the citation of Section 7-38-39 is not correct. The proper citation would be Section 7-38-25. Section 7-38-39 relates to claims for refund filed in the district court. If the intent is to permit the use of this affidavit in both venues, then it should be reworded to say, “(b) a county valuation protest board hearing held pursuant to Section 7-38-25 or a claim for refund in the district court pursuant to Section 7-38-39 in which the information is material to resolving the dispute;” (If the intent is to include both types of hearings, then the description of the bill should be changed as well.)

EO/bb