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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/08

SPONSOR Barela LAST UPDATED _____ HJR 1

SHORT TITLE National Guard Veteran Property Taxes, CA SB _____

ANALYST Francis

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	NFI – See Narrative			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Veterans' Services Department FIR from 2007 on HJR13

SUMMARY

Synopsis of Bill

House Joint Resolution 1 proposes to amend the NM Constitution to include members of the National Guard who are honorably discharged unless the member was discharged for misconduct under the definition of "member of the armed services" in Article 8, Section 5. The exemption is currently \$4,000.

If enacted, the question would be put to the voters at the next general election.

FISCAL IMPLICATIONS

Assuming there are 600 National Guard members honorably discharged each year and they have a similar homeownership rate as New Mexicans in general, 420 would receive the exemption of \$4,000. At an average residential property tax rate of \$26.62 per \$1000 of assessed value, the exemption would be worth \$106.50 per member for a combined total of approximately \$45,000 statewide. However, overall property tax revenue is a complicated formula and so other taxpayers rates would likely go up to make up the difference and there would be no net fiscal impact.

SIGNIFICANT ISSUES

VSD (from 2007 analysis of HJR13):

Currently the discharged members of the National Guard are not granted the tax exemption unless they have been called up to active federal duty. Basic training and

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Advanced training are considered active duty for training only is reflected as such on the DD 214. New Mexico Statutes require active duty for a minimum of 90 days, this duty must be for active duty other than for training, for this reason as is stands members of the National Guard who have not been called up for active federal duty do not qualify for the veterans tax exemption.

NF/bb