F I S C A L   I M P A C T   R E P O R T

SPONSOR	Payne	**ORIGINAL DATE** 2/3/08 **LAST UPDATED**	**HB**
SHORT TITLE	Property Tax Limitations, CA		**SJR** 14
		ANALYST	Francis

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	**FY09**	**FY10**		

 (Parenthesis ( ) Indicate Revenue Decreases)

Relates to several bills – See below for table of property tax bills considered in 2008 session

SOURCES OF INFORMATION
LFC Files

SUMMARY

　Synopsis of Bill

Senate Joint Resolution proposes a constitutional amendment to limit the total property tax to one percent of the "current and correct" value of the property. If passed, the amendment will go to the voters at the next general election.

FISCAL IMPLICATIONS

The only taxpayers that would be affected are those that live in a district with a tax rate higher than 30 mills ($30 per $1,000 of taxable value). Most of the property that would benefit is non-residential. Only Albuquerque, Grady, Sunland Park, Santa Rosa, Gallup, Grenville, and Los Lunas have residential rates higher than 30 mills. The constitutional amendment could cause the localities with higher rates on nonresidential to raise the rates on residential to maintain the amount of funds needed for debt service and operations.

There could be additional impacts on local communities if their general obligation bonds are placed in jeopardy but a requirement to lower rates.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Other property tax related bills being considered in 2008 session:

Bill Number	Title	Description
H229	END YIELD CONTROL ON SCHOOL MILL LEVY	Allow school districts to levy posted tax rate
H264	RESIDENTIAL PROPERTY TRANSFER AFFIDAVITS	Allow affidavits about property value to be used for county protests
H276/SB398	SUNCAL TAX INCREMENT PROJECT BONDS	10 percent diversion of Bernalillo County property taxes to tax increment district
H295/SB355/SB116	RAISE PROPERTY TAX LIMITATION INCOME LIMIT	Raise the income threshold for taxpayers over age 65
H324	CHARITABLE CARE PROPERTY TAX VALUATION	Exempt certain nursing homes from valuation
H388	REQUIRE DISCLOSURE OF REAL PROPERTY TAXES	Disclosure of estimated property tax to home buyers
H617	PROPERTY TAX ON COMMUNICATIONS SYSTEM LAND	Expand the definition of communication system land in exemption
HJR1	NATIONAL GUARD VETERAN PROPERTY TAXES, CA	Include national guard veterans in military veteran exemption
HJR4	SENIOR CITIZEN PROPERTY TAX EXEMPTION, CA	Phase out property tax for seniors
HJR6	VETERANS' ORGANIZATION PROPERTY TAXES, CA	Exempt certain property from valuation
HJR10	STATEWIDE MILLAGE RATE FOR SCHOOL FUNDS, CA	Add additional 5 mills for education on statewide property tax
S449	LOW-INCOME PROPERTY TAX REBATE ELIGIBILITY	Expand income threshold for local governmetn low income property tax rebate
S450	PROPERTY TAX VALUATION & REASSESSMENT	Revalue property that transferred in 2005/2006 to 2004 levels
S483	PROPERTY TAX ADMINISTRATIVE FEE THRESHOLD	Raise minimum amount of tax admin fee plus tax to $15
S516	PROPERTY TAX DELINQUENCY NOTICES & TIMING	Extends the time limit property tax can be delinquent before sold.
SJR11	HEAD OF FAMILY PROPERTY TAX EXEMPTION, CA	Increases head of family exemption to $20,000 from $2,000.
SJR14	PROPERTY TAX LIMITATIONS, CA	Imposes maximum total tax levy of no more than 1 percent of current and correct tax value.

TECHNICAL ISSUES

There might be a conflict between the maximum 3 percent raise in taxable valuation and the requirement to determine the "current and correct" valuation.

NF/nt