

1 SENATE JOINT MEMORIAL 2

2 **55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021**

3 INTRODUCED BY

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10 A JOINT MEMORIAL

11 REQUESTING THE UNITED STATES GOVERNMENT TO BASE PAYMENTS IN
12 LIEU OF TAXES ON A FULL PROPERTY TAX EQUIVALENCY BASIS.

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14 WHEREAS, payments in lieu of taxes are federal payments to
15 local governments that help offset losses in property taxes due
16 to the existence of nontaxable federal lands within their
17 boundaries; and

18 WHEREAS, according to the United States department of the
19 interior, New Mexico has twenty-two million three hundred
20 sixty-nine thousand five hundred thirty-one acres of land
21 eligible for payments in lieu of taxes; and

22 WHEREAS, New Mexico received forty-one million four
23 hundred thousand dollars (\$41,400,000) of payments in lieu of
24 taxes from the federal government in fiscal year 2020; and

25 WHEREAS, technology now exists to more accurately

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1 determine the property tax equivalency value of all federal
2 lands in the state; and

3 WHEREAS, according to the congressional research service,
4 when the federal government changed its public lands policy in
5 1976 from one of disposal to one of retention, congress agreed
6 to make payments in lieu of taxes "to make up for the presence
7 of nontaxable land" on a "tax equivalency" basis; and

8 WHEREAS, tax equivalency means the amount that would have
9 been received by these jurisdictions if the federal lands were
10 privately owned; and

11 WHEREAS, the federal commitment to pay the property tax
12 equivalency for payments in lieu of taxes is vital for New
13 Mexico's children and communities and is particularly important
14 during periods of fluctuating economic conditions; and

15 WHEREAS, New Mexico appreciates every dollar of payments
16 in lieu of taxes received, yet the payments in lieu of taxes
17 that New Mexico receives are not the fair property tax
18 equivalency value, resulting in exponentially compounding
19 depressive impacts on funding for education and essential
20 government services, including first responder services, the
21 construction of roads, schools and other infrastructure and
22 search and rescue services; and

23 WHEREAS, the current fluctuating economic conditions have
24 intensified this structural burden borne by New Mexico
25 residents and communities to fund education and all other

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1 government services;

2 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
3 STATE OF NEW MEXICO that it call upon the United States
4 congress and the president of the United States to base
5 payments in lieu of taxes on a full property tax equivalency
6 basis, as committed at the inception of the payment in lieu of
7 taxes program; and

8 BE IT FURTHER RESOLVED that the legislature of the state
9 of New Mexico call upon the United States congress and the
10 president of the United States to coordinate expeditiously and
11 in good faith with New Mexico and other willing states to adopt
12 such laws, regulations and policies as are necessary to ensure
13 that all future payments in lieu of taxes are permanently made
14 on a full property tax equivalency basis; and

15 BE IT FURTHER RESOLVED that the legislature of the state
16 of New Mexico call upon all people of good will and local,
17 state and national leaders to come together to secure the full
18 and fair property tax equivalency of payments in lieu of taxes
19 for children and communities throughout New Mexico and the
20 nation; and

21 BE IT FURTHER RESOLVED that copies of this memorial be
22 transmitted to the president of the United States, the vice
23 president of the United States, the majority leader and
24 minority leader of the United States senate, the speaker and
25 minority leader of the United States house of representatives,

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1 the New Mexico congressional delegation and the governor of New
2 Mexico.

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