

LFC Requester:

Jennifer Faubion

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
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(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/31/26 *Check all that apply:*
Bill Number: HB 148 Original Correction
 Amendment Substitute

Sponsor: Lundstom, Lente, Martinez, Padilla, Duncan **Agency Name and Code** 995 NMC
Short Title: PROPERTY TAX AFFIDAVITS **Number:** _____
Person Writing Hannah Kase Woods
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

FISCAL IMPLICATIONS

COUNTY REVENUES

County governments are highly reliant on both gross receipts taxes (GRT) and property taxes as their primary revenue sources. Depending on the specific county, this percentage can fluctuate dramatically statewide. Counties are on the front lines of delivering essential public services, including public safety, infrastructure, and health. Sustainable and equitable revenue systems are critical to ensuring these services continue without interruption. Legislative proposals to limit revenues, add exemptions, or provide tax credits directly affect a county's ability to provide these critical services.

ESTIMATED PERCENTAGE OF RELIANCE ON GRT & PROPERTY TAXES

COUNTY	% GRT	% Property
Bernalillo County	66%	34%
Catron County	40%	60%
Chaves County	65%	35%
Cibola County	65%	35%
Colfax County	30%	70%
Curry County	56%	44%
De Baca County	30%	70%
Dona Ana County	58%	42%
Eddy County	77%	23%
Grant County	64%	36%
Guadalupe County	41%	59%
Harding County	36%	64%
Hidalgo County	40%	60%
Lea County	60%	40%
Lincoln County	32%	68%
Los Alamos County	93%	7%
Luna County	58%	42%
McKinley County	75%	25%
Mora County	64%	36%
Otero County	60%	40%
Quay County	63%	37%
Rio Arriba County	61%	39%
Roosevelt County	48%	52%
San Juan County	69%	31%
San Miguel County	60%	40%
Sandoval County	45%	55%
Santa Fe County	62%	38%
Sierra County	56%	44%
Socorro County	54%	46%
Taos County	64%	36%

Torrance County	61%	39%
Union County	38%	62%
Valencia County	62%	38%

NON-RESIDENTIAL PROPERTY

Proposals to limit or cap non-residential property growth are particularly problematic due to the inconsistencies of growth patterns. An arbitrary cap as proposed in HB148 would severely limit all counties statewide while only benefit developers in a few specific areas of the state that have seen dramatic growth.

It is important to also recognize that counties are tasked with providing infrastructure in developing areas such as fire departments, additional law enforcement, roads, sidewalks, etc. Without adequate revenues to support these developments, counties are not able to afford these expansive services and infrastructure.

The following chart outlines the 5-year growth for year-over-year non-residential property growth. It is evident that this range has dramatic changes dependent on the specific county and the development or industry that moves into the area. New Mexico counties maintain that an arbitrary cap would be extremely problematic for long term economic growth.

2020-2025 YEAR-OVER-YEAR NON-RESIDENTIAL PROPERTY VALUE GROWTH

COUNTY	2020	2021	GROWTH	2021	2022	GROWTH	2022	2023	GROWTH
Bernalillo	\$ 3,926,823,933.00	\$ 3,965,291,240.00	1%	\$ 3,965,291,240.00	\$ 4,047,427,415.00	2%	\$ 4,047,427,415.00	\$ 4,369,538,164.00	8%
Catron	\$ 48,949,035.00	\$ 50,864,927.00	4%	\$ 50,864,927.00	\$ 59,127,701.00	16%	\$ 59,127,701.00	\$ 61,646,803.00	4%
Chaves	\$ 527,698,207.00	\$ 568,648,817.00	8%	\$ 568,648,817.00	\$ 625,551,704.00	10%	\$ 625,551,704.00	\$ 589,117,641.00	-6%
Cibola	\$ 200,777,782.00	\$ 203,449,343.00	1%	\$ 203,449,343.00	\$ 221,237,540.00	9%	\$ 221,237,540.00	\$ 223,348,042.00	1%
Colfax	\$ 220,368,654.00	\$ 220,141,437.00	0%	\$ 220,141,437.00	\$ 217,924,780.00	-1%	\$ 217,924,780.00	\$ 222,140,778.00	2%
Curry	\$ 373,481,515.00	\$ 372,744,536.00	0%	\$ 372,744,536.00	\$ 381,896,917.00	2%	\$ 381,896,917.00	\$ 379,812,228.00	-1%
De Baca	\$ 76,181,215.00	\$ 77,547,086.00	2%	\$ 77,547,086.00	\$ 78,715,944.00	2%	\$ 78,715,944.00	\$ 84,977,227.00	8%
Dona Ana	\$ 1,422,262,098.00	\$ 1,412,921,925.00	-1%	\$ 1,412,921,925.00	\$ 1,434,862,590.00	2%	\$ 1,434,862,590.00	\$ 1,491,046,312.00	4%
Eddy	\$ 2,231,255,862.00	\$ 2,346,860,156.00	5%	\$ 2,346,860,156.00	\$ 3,280,799,014.00	40%	\$ 3,280,799,014.00	\$ 3,673,863,185.00	12%
Grants	\$ 204,251,534.00	\$ 206,738,196.00	1%	\$ 206,738,196.00	\$ 216,997,621.00	5%	\$ 216,997,621.00	\$ 223,710,427.00	3%
Guadalupe	\$ 143,914,874.00	\$ 147,467,641.00	2%	\$ 147,467,641.00	\$ 148,557,909.00	1%	\$ 148,557,909.00	\$ 151,719,015.00	2%
Harding	\$ 55,784,143.00	\$ 49,396,337.00	-11%	\$ 49,396,337.00	\$ 53,650,313.00	9%	\$ 53,650,313.00	\$ 53,677,466.00	0%
Hidalgo	\$ 159,701,900.00	\$ 163,315,444.00	2%	\$ 163,315,444.00	\$ 159,540,347.00	-2%	\$ 159,540,347.00	\$ 162,916,752.00	2%
Lea	\$ 1,810,353,879.00	\$ 1,878,730,631.00	4%	\$ 1,878,730,631.00	\$ 2,176,970,993.00	16%	\$ 2,176,970,993.00	\$ 2,319,737,403.00	7%
Lincoln	\$ 420,018,648.00	\$ 444,638,100.00	6%	\$ 444,638,100.00	\$ 486,090,428.00	9%	\$ 486,090,428.00	\$ 491,323,871.00	1%
Los Alamos	\$ 117,131,090.00	\$ 112,994,510.00	-4%	\$ 112,994,510.00	\$ 119,725,040.00	6%	\$ 119,725,040.00	\$ 125,118,093.00	5%
Luna	\$ 350,711,585.00	\$ 388,343,798.00	11%	\$ 388,343,798.00	\$ 362,843,060.00	-7%	\$ 362,843,060.00	\$ 372,990,926.00	3%
McKinley	\$ 562,449,764.00	\$ 456,526,467.00	-19%	\$ 456,526,467.00	\$ 464,116,694.00	2%	\$ 464,116,694.00	\$ 461,014,326.00	-1%
Mora	\$ 71,215,427.00	\$ 70,450,719.00	-1%	\$ 70,450,719.00	\$ 72,869,115.00	3%	\$ 72,869,115.00	\$ 75,654,169.00	4%
Otero	\$ 404,902,661.00	\$ 413,738,134.00	2%	\$ 413,738,134.00	\$ 439,602,075.00	6%	\$ 439,602,075.00	\$ 463,437,582.00	5%
Quay	\$ 144,447,323.00	\$ 153,415,967.00	6%	\$ 153,415,967.00	\$ 158,003,411.00	3%	\$ 158,003,411.00	\$ 160,894,128.00	2%
Rio Arriba	\$ 331,667,198.00	\$ 333,584,574.00	1%	\$ 333,584,574.00	\$ 352,136,314.00	6%	\$ 352,136,314.00	\$ 385,991,764.00	10%
Roosevelt	\$ 257,969,570.00	\$ 427,683,654.00	66%	\$ 427,683,654.00	\$ 435,097,760.00	2%	\$ 435,097,760.00	\$ 452,567,107.00	4%
Sandoval	\$ 840,872,007.00	\$ 870,985,320.00	4%	\$ 870,985,320.00	\$ 936,935,326.00	8%	\$ 936,935,326.00	\$ 1,002,640,032.00	7%
San Juan	\$ 1,658,930,833.00	\$ 1,629,677,304.00	-2%	\$ 1,629,677,304.00	\$ 1,620,028,359.00	-1%	\$ 1,620,028,359.00	\$ 1,568,139,329.00	-3%
San Miguel	\$ 220,367,999.00	\$ 220,171,496.00	0%	\$ 220,171,496.00	\$ 238,193,210.00	8%	\$ 238,193,210.00	\$ 242,965,499.00	2%
Santa Fe	\$ 1,656,904,122.00	\$ 1,522,239,693.00	-8%	\$ 1,522,239,693.00	\$ 1,645,303,147.00	8%	\$ 1,645,303,147.00	\$ 1,988,781,032.00	21%
Sierra	\$ 133,243,552.00	\$ 141,943,933.00	7%	\$ 141,943,933.00	\$ 149,685,620.00	5%	\$ 149,685,620.00	\$ 153,684,093.00	3%
Socorro	\$ 135,577,786.00	\$ 139,956,402.00	3%	\$ 139,956,402.00	\$ 153,896,828.00	10%	\$ 153,896,828.00	\$ 164,115,368.00	7%
Taos	\$ 567,788,304.00	\$ 575,569,406.00	1%	\$ 575,569,406.00	\$ 587,826,927.00	2%	\$ 587,826,927.00	\$ 612,196,247.00	4%
Torrance	\$ 258,399,351.00	\$ 289,177,040.00	12%	\$ 289,177,040.00	\$ 305,432,581.00	6%	\$ 305,432,581.00	\$ 324,197,153.00	6%
Union	\$ 123,465,880.00	\$ 124,656,336.00	1%	\$ 124,656,336.00	\$ 124,888,558.00	0%	\$ 124,888,558.00	\$ 134,343,309.00	8%
Valencia	\$ 496,278,136.00	\$ 510,650,924.00	3%	\$ 510,650,924.00	\$ 534,157,112.00	5%	\$ 534,157,112.00	\$ 563,375,991.00	5%
TOTALS	\$ 20,154,145,867.00	\$ 20,490,521,493.00	2%	\$ 20,490,521,493.00	\$ 22,290,092,353.00	9%	\$ 22,290,092,353.00	\$ 23,750,681,462.00	7%

*** Source: DFA Annual Final Valuations - Non-Residential Taxable Values

2020-2025 YEAR-OVER-YEAR NON-RESIDENTIAL PROPERTY VALUE GROWTH

COUNTY	2023	2024	GROWTH	2024	2025	GROWTH
Bernalillo	\$ 4,369,538,164.00	\$ 4,620,552,468.00	6%	\$ 4,620,552,468.00	\$ 5,176,106,618.00	12%
Catron	\$ 61,646,803.00	\$ 101,630,082.00	65%	\$ 101,630,082.00	\$ 103,778,407.00	2%
Chaves	\$ 589,117,641.00	\$ 660,465,059.00	12%	\$ 660,465,059.00	\$ 695,040,367.00	5%
Cibola	\$ 223,348,042.00	\$ 238,009,920.00	7%	\$ 238,009,920.00	\$ 234,310,497.00	-2%
Colfax	\$ 222,140,778.00	\$ 228,502,296.00	3%	\$ 228,502,296.00	\$ 227,768,522.00	0%
Curry	\$ 379,812,228.00	\$ 432,706,640.00	14%	\$ 432,706,640.00	\$ 489,037,634.00	13%
De Baca	\$ 84,977,227.00	\$ 83,827,804.00	-1%	\$ 83,827,804.00	\$ 87,157,765.00	4%
Dona Ana	\$ 1,491,046,312.00	\$ 1,546,844,793.00	4%	\$ 1,546,844,793.00	\$ 1,662,324,710.00	7%
Eddy	\$ 3,673,863,185.00	\$ 3,557,383,980.00	-3%	\$ 3,557,383,980.00	\$ 3,720,260,961.00	5%
Grants	\$ 223,710,427.00	\$ 232,069,562.00	4%	\$ 232,069,562.00	\$ 243,160,427.00	5%
Guadalupe	\$ 151,719,015.00	\$ 156,914,406.00	3%	\$ 156,914,406.00	\$ 164,562,119.00	5%
Harding	\$ 53,677,466.00	\$ 54,587,784.00	2%	\$ 54,587,784.00	\$ 54,766,496.00	0%
Hidalgo	\$ 162,916,752.00	\$ 165,796,350.00	2%	\$ 165,796,350.00	\$ 164,528,953.00	-1%
Lea	\$ 2,319,737,403.00	\$ 2,584,220,796.00	11%	\$ 2,584,220,796.00	\$ 2,985,247,914.00	16%
Lincoln	\$ 491,323,871.00	\$ 556,562,982.00	13%	\$ 556,562,982.00	\$ 549,375,741.00	-1%
Los Alamos	\$ 125,118,093.00	\$ 132,775,853.00	6%	\$ 132,775,853.00	\$ 127,330,977.00	-4%
Luna	\$ 372,990,926.00	\$ 373,682,715.00	0%	\$ 373,682,715.00	\$ 403,423,457.00	8%
McKinley	\$ 461,014,326.00	\$ 442,020,423.00	-4%	\$ 442,020,423.00	\$ 437,259,815.00	-1%
Mora	\$ 75,654,169.00	\$ 77,520,557.00	2%	\$ 77,520,557.00	\$ 80,884,328.00	4%
Otero	\$ 463,437,582.00	\$ 489,006,559.00	6%	\$ 489,006,559.00	\$ 511,061,497.00	5%
Quay	\$ 160,894,128.00	\$ 164,827,848.00	2%	\$ 164,827,848.00	\$ 178,701,381.00	8%
Rio Arriba	\$ 385,991,764.00	\$ 406,899,464.00	5%	\$ 406,899,464.00	\$ 426,706,145.00	5%
Roosevelt	\$ 452,567,107.00	\$ 431,474,180.00	-5%	\$ 431,474,180.00	\$ 452,814,756.00	5%
Sandoval	\$ 1,002,640,032.00	\$ 1,554,777,229.00	55%	\$ 1,554,777,229.00	\$ 1,575,215,177.00	1%
San Juan	\$ 1,568,139,329.00	\$ 1,669,322,475.00	6%	\$ 1,669,322,475.00	\$ 1,724,187,870.00	3%
San Miguel	\$ 242,965,499.00	\$ 243,500,708.00	0%	\$ 243,500,708.00	\$ 251,990,737.00	3%
Santa Fe	\$ 1,988,781,032.00	\$ 2,110,222,209.00	6%	\$ 2,110,222,209.00	\$ 1,994,655,785.00	-5%
Sierra	\$ 153,684,093.00	\$ 161,975,312.00	5%	\$ 161,975,312.00	\$ 135,588,871.00	-16%
Socorro	\$ 164,115,368.00	\$ 177,537,198.00	8%	\$ 177,537,198.00	\$ 185,394,271.00	4%
Taos	\$ 612,196,247.00	\$ 639,352,576.00	4%	\$ 639,352,576.00	\$ 665,187,523.00	4%
Torrance	\$ 324,197,153.00	\$ 328,110,242.00	1%	\$ 328,110,242.00	\$ 361,383,407.00	10%
Union	\$ 134,343,309.00	\$ 137,711,654.00	3%	\$ 137,711,654.00	\$ 148,544,965.00	8%
Valencia	\$ 563,375,991.00	\$ 681,774,866.00	21%	\$ 681,774,866.00	\$ 713,375,110.00	5%
TOTALS	\$ 23,750,681,462.00	\$ 25,442,566,990.00	7%	\$ 25,442,566,990.00	\$ 26,931,133,203.00	6%

*** Source: DFA Annual Final Valuations - Non-Residential Taxable Values

PROPERTY TAXES

Property tax revenues are traditionally more stable for county governments even with the 3% cap on residential growth, but new fiscal pressures have emerged from voter-approved veteran exemptions passed in the November 2024 election.

- Local taxing entities anticipate a revenue loss of over \$30 million beginning in FY27 due to the expansion of the disabled veteran property tax exemption. HJR5 (2023) and the subsequent Constitutional Amendment 1 expanded the disabled veteran exemption from only those 100% disabled veteran with a service-connected disability between 10%–100%, allowing deductions proportional to their disability percentage. This increased the number of eligible individuals from roughly 16,000 to more than 53,000. The total fiscal impact is still unknown.
- Local taxing entities anticipate a revenue loss of over \$7.6 million beginning in FY26. HJR6 (2023) and the subsequent Constitutional Amendment 2 increased the standard veteran exemption from \$4,000 to \$10,000 off net taxable values.

COUNTY	2023	2024	% OF CHANGE
Bernalillo County	\$ 157,761,457	\$ 164,077,490	4%
Catron County	\$ 1,720,159	\$ 1,655,911	-4%
Chaves County	\$ 10,928,916	\$ 10,961,309	0%
Cibola County	\$ 3,985,296	\$ 4,328,086	9%
Colfax County	\$ 7,088,934	\$ 7,326,219	3%
Curry County	\$ 10,653,882	\$ 11,063,352	4%
De Baca County	\$ 1,014,328	\$ 1,037,749	2%
Dona Ana County	\$ 55,534,218	\$ 58,147,768	5%
Eddy County	\$ 33,013,345	\$ 32,360,639	-2%
Grant County	\$ 6,016,182	\$ 6,190,034	3%
Guadalupe County	\$ 2,187,624	\$ 2,269,762	4%
Harding County	\$ 634,377	\$ 646,147	2%
Hidalgo County	\$ 2,228,247	\$ 2,275,700	2%
Lea County	\$ 30,263,022	\$ 33,084,786	9%
Lincoln County	\$ 10,216,731	\$ 9,902,243	-3%
Los Alamos County	\$ 5,639,934	\$ 5,857,508	4%
Luna County	\$ 7,528,816	\$ 7,586,398	1%
McKinley County	\$ 7,559,400	\$ 7,361,052	-3%
Mora County	\$ 1,585,623	\$ 1,636,402	3%
Otero County	\$ 12,268,001	\$ 12,832,649	5%
Quay County	\$ 2,403,538	\$ 2,506,176	4%
Rio Arriba County	\$ 7,648,518	\$ 8,035,472	5%
Roosevelt County	\$ 7,595,409	\$ 7,402,163	-3%
San Juan County	\$ 25,608,661	\$ 26,765,447	5%
San Miguel County	\$ 5,517,244	\$ 5,639,322	2%
Sandoval County	\$ 33,772,936	\$ 35,849,789	6%
Santa Fe County	\$ 62,389,504	\$ 66,126,970	6%
Sierra County	\$ 3,917,917	\$ 4,287,691	9%
Socorro County	\$ 3,720,677	\$ 3,875,437	4%
Taos County	\$ 14,404,045	\$ 14,827,364	3%
Torrance County	\$ 6,292,971	\$ 6,470,527	3%
Union County	\$ 2,011,744	\$ 2,052,023	2%
Valencia County	\$ 16,012,337	\$ 17,676,224	10%
County Totals	\$ 559,123,993	\$ 582,115,809	4%

Source: DFA Property Tax Facts

GROSS RECEIPT TAXES

County GRT revenues are extremely volatile, with many counties only now returning to pre-pandemic levels. In any given year, a natural disaster, significant industry change, contract with a major employer, or legislative exemption can significantly impact a county's budget:

COUNTY GRT FY 24 – FY 25 AND PERCENTAGE FLUNCTUATION

COUNTY	2023-2024	2024-2025	% OF CHANGE
Bernalillo County	\$311,433,967.89	\$324,928,052.96	4%
Catron County	\$1,266,479.35	\$1,081,504.80	-15%
Chaves County	\$20,184,589.74	\$20,638,015.79	2%
Cibola County	\$6,958,199.63	\$7,964,858.55	14%
Colfax County	\$2,836,997.25	\$3,191,339.77	12%
Curry County	\$14,074,996.65	\$13,842,703.23	-2%
De Baca County	\$725,747.11	\$437,005.49	-40%
Dona Ana County	\$75,093,080.61	\$80,428,544.55	7%
Eddy County	\$102,023,642.42	\$110,665,583.90	8%
Grant County	\$10,422,932.16	\$10,985,811.65	5%
Guadalupe	\$2,309,096.37	\$1,580,581.14	-32%
Harding County	\$367,836.44	\$356,730.48	-3%
Hidalgo County	\$1,150,527.14	\$1,530,857.96	33%
Lea County	\$48,275,303.84	\$49,656,015.01	3%
Lincoln County	\$3,245,920.72	\$4,586,109.67	41%
Los Alamos County	\$102,020,036.10	\$80,447,933.21	-21%
Luna County	\$9,189,779.29	\$10,662,691.30	16%
McKinley County	\$21,646,794.94	\$21,940,043.60	1%
Mora County	\$2,453,741.22	\$2,900,483.47	18%
Otero County	\$15,815,256.71	\$18,920,825.26	20%
Quay County	\$3,700,470.44	\$4,338,288.35	17%
Rio Arriba County	\$12,025,333.11	\$12,775,339.54	6%
Roosevelt County	\$6,232,597.65	\$6,852,940.17	10%
San Juan County	\$52,967,585.19	\$59,108,909.18	12%
San Miguel County	\$7,363,373.68	\$8,377,347.91	14%
Sandoval County	\$32,121,774.61	\$28,931,720.14	-10%
Santa Fe County	\$101,773,041.62	\$106,016,330.13	4%
Sierra County	\$5,293,608.06	\$5,352,848.16	1%
Socorro County	\$4,186,809.44	\$4,632,001.90	11%
Taos County	\$20,333,385.37	\$26,233,177.31	29%
Torrance County	\$6,602,975.40	\$9,936,446.08	50%
Union County	\$1,429,472.96	\$1,270,960.60	-11%
Valencia County	\$28,637,431.31	\$29,420,899.28	3%

Source: TRD Monthly Local Govt. Distribution Reports (RP-500)

SIGNIFICANT ISSUES

Attached below (see chart)

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS