

LFC Requester:

Jennifer Faubion

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(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: 02/03/26

Check all that apply:

Bill Number: HB 285Original  Correction Amendment  Substitute 

<b>Sponsor:</b>	De La Cruz / A. Martinez / D.	<b>Agency Name and Code Number:</b>	Department of Veterans' Services /
	Sarinana / H. Pope		67000
<b>Short Title:</b>	Disabled Veteran Property Tax Changes	<b>Person Writing</b>	Danelle Lucero
		<b>Phone:</b> <u>505-537-1309</u>	<b>Email:</b> <u>Danelle.lucero@dvs.nm.gov</u>

**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
20.0	100.0	Recurring	General Fund

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	<b>25.</b>	<b>100.0</b>	<b>100.0</b>	<b>225.0</b>	RECURRING	GENERAL FUND

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

Relating to taxation; amending the disabled veteran property tax exemption; clarifying occupancy requirements; clarifying exemption determinations for properties with multiple ownership interests: establishes clear procedures for claiming exemption and protesting exemption determinations and declares an emergency to ensure immediate and uniform application of the law.

### **BILL SUMMARY**

Synopsis: This bill amends New Mexico's Property Tax Code to clarify and standardize the Disabled Veteran Property Tax Exemption. It requires a disabled veteran or qualifying surviving spouse to continuously occupy the property as a principal residence, expressly allows the exemption for otherwise qualifying property held in a grantor trust, and clarifies that when multiple disabled veterans own the same property, the exemption is determined using the highest qualifying disability percentage. The bill establishes uniform procedures for claiming exemption, including documentation and certification requirements, provides clear rights to protest denied or pending exemption claims, and allows the exemption to be retained or transferred when a qualifying individual changes principal residences during the tax year. It also updates related protest and appeal procedures and includes an emergency clause to ensure immediate and consistent statewide application.

### **FISCAL IMPLICATIONS**

NMDVS will experience a higher workload due to expanded eligibility verification and additional administrative duties introduced by the bill. To handle the expected increase in exemption requests from disabled veterans and surviving spouses, NMDVS will need funding to hire one full-time Eligibility Interviewer (FTE) to manage and process the extra workload. Additional funding will also be necessary for advertising and marketing efforts to inform eligible individuals about the updated exemption criteria and application process.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

**SIGNIFICANT ISSUES N/A**

### **PERFORMANCE IMPLICATIONS**

The proposed bill requires the NM Taxation and Revenue Department to develop and issue a certification document that is required to be submitted by the veteran occupants of the property verifying it is the veteran's primary residence. NMDVS will incorporate this form into its internal tax-certificate procedures.

### **ADMINISTRATIVE IMPLICATIONS**

The New Mexico Department of Veterans' Services (NMDVS) is experiencing an increase in the number of veterans seeking property tax exemptions and requesting additional benefits beyond those they currently receive. Implementation of the bill will further expand administrative responsibilities, including eligibility verification, certification, and coordination with county assessors. NMDVS will need to update internal policies and forms, provide staff training on the amended tax exemption provisions, and offer enhanced outreach and technical assistance to veterans and surviving spouses. The agency will continue and expand statewide outreach efforts to educate eligible populations about available benefits.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Companionship: This is an amendment to HB 47, veteran property tax exemptions.

**TECHNICAL ISSUES N/A**

**OTHER SUBSTANTIVE ISSUES N/A**

**ALTERNATIVES N/A**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Without enactment, eligibility and occupancy rules for the disabled veteran property tax exemption will remain open to interpretation, creating inconsistencies in how exemptions are applied and cause veterans to lose existing benefits. Veterans and surviving spouses may encounter confusion, delays, and reduced access to benefits. The state would also miss the opportunity to improve program efficiency, transparency, and outreach. All 33 counties remain unaligned in their approach.

**AMENDMENTS N/A**