

LFC Requester:

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**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:** 2/4/26 *Check all that apply:*  
**Bill Number:** HB 285 Original  Correction   
 Amendment  Substitute

**Sponsor:** De La Cruz **Agency Name**  
Martinez **and Code** 995 NMC  
Sareñana **Number:** \_\_\_\_\_  
Pope **Person Writing** Hannah Kase Woods  
**Short Title:** Disabled Veteran Property Tax **Phone:** 505-820-8102 **Email** hwoods@nmcounties.org  
Changes

**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
<b>Total</b>						

(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**

In 2024, the voters passed Constitutional Amendment 1. The amendment expanded the veteran property tax exemption to all veterans with a service-related disability between 10% and 100%. Previously, this benefit was only provided to individuals with a 100% disability. This increased the number of eligible individuals from approximately 16,500 to more than 51,000. In 2025, HB47 provided enabling language for Constitutional Amendment 1 with implementation beginning in FY27.

HB285 is a priority bill for New Mexico Counties to clarify how the Constitutional Amendment will be applied on properties with multiple disabled veteran owners and to establish clearer procedures for claiming or protesting an exemption. This bill is critical to helping local taxing entities navigate the new Constitutional Amendment. It will enable them to manage the fiscal impact more accurately without creating budget uncertainties, having to issue refunds, amend tax rolls, or risk audit findings. The legislation also includes an emergency clause.

It is important to note that the fiscal impact of the disability exemption is currently impossible to determine until an individual with a specific percentage of disability files for the exemption on a specific property.

HB285 specifically seeks to change the following:

#### **Multiple Disabled Veteran Owner Clarification:**

When two or more disabled veterans qualify for the veteran exemption on the principal place of residence, the exemption shall be determined using the highest percentage among the eligible disabled owners. This clarification is needed to ensure that 100% disabled veterans receive a 100% exemption on the entire property, not 100% of only a portion of the property.

#### **Timeline Requirement Clarification:**

- ✓ A disabled veteran pending disability certification may file a protest within 30 days after receiving their notice of value.
- ✓ The statutory change will clearly recognize “a pending claim for exemption” as an allowable protest
- ✓ The disabled veteran will then have an additional 180 days during the protest period to receive their certification.
- ✓ If the disability certification is received after the 180-day protest period, it will be applied to the to the following tax year.
- ✓ Once a veteran disability exemption is in place, the exemption is automatically included in subsequent years and would only need to be refiled if there is an increase in the disability percentage

This clarification is needed to ensure that all disabled veterans pending certification can easily file a protest for the additional 180 days. For counties, municipalities, and impacted special districts it ensures that exemptions are filed within the existing property tax timeframe which is critical to

meet budgetary requirements.

**SIGNIFICANT ISSUES**

**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**