

**Bill Analysis and Fiscal Impact Report  
Taxation and Revenue Department**

**January 26, 2026**

**Bill:**  
SB-58

**Sponsor:**  
Senator Heather Berghmans

**Short Title:**  
Extend Property Tax Exemption Period

**Description:**  
This bill amends Section 7-36-3.1 NMSA 1978 to extend the property tax exemption period for project property in metropolitan redevelopment areas (MRA) for bonded indebtedness from 10 years to 14 years and from seven to 14-year anniversary of the acquisition date under Section 3-60A-13.1 NMSA 1978.

**Effective Date, Applicability, and Contingency Language:**  
Not specified or 90 days following adjournment (May 20, 2026). Applicability – The provisions of this act apply to leases of project property executed on or after the effective date of this Act.

**Taxation and Revenue Department Analyst:**  
Lucinda Sydow

**Estimated Revenue Impact\***

FY26	FY27	FY28	FY29	FY30	Recurring or Non-Recurring	Fund(s) Affected
Neutral impact – see narrative					R	Counties, Municipalities, Property Taxing Districts
Neutral impact – see narrative					R	State General Obligation Bond Fund

\* In thousands of dollars. Parentheses ( ) indicate a revenue loss. \*\* Recurring (R) or Non-Recurring (NR).

**Methodology for Estimated Revenue Impact:**

[Sections 1 & 2] The Taxation and Revenue Department (Tax & Rev) is not aware of any MRAs currently under a seven-year extension under Section 1 of this bill or a 10-year extension under Section 2 of this bill, or of any MRA that would be expiring in the near future. If there is a MRA close to the current expiration date, the revenue impact maintains the current status quo of not owing property tax assuming bond debt is maintained. If there is a county budgeting property tax revenue based on the expiration of a MRA, then there would be a negative revenue impact for that county’s projections.

**Policy Issues:**

As MRAs are designated geographic areas to revitalize economic activity, some areas may need more time to sufficiently build their tax base, spur growth and pay off bond debt. The assumed intent of the proposal is to provide sufficient time for MRAs to pay off bond debt without comprising economic growth.

**Technical Issues:**

None.

**Other Issues:**

None.

**Administrative & Compliance Impact:**

Tax & Rev’s Property Tax Division (PTD) will educate county assessors that have MRAs in their county about the extension of the tax exemption from seven to 14 years.