

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: 1/27/26

Check all that apply:

Bill Number: SB 92Original  Correction Amendment  Substitute 

Sponsor: Michael Padilla; Cindy Nava  
 Short Construction Materials Gross  
 Title: Receipts

Agency Name  
and Code

995 NMC

Number:

Person Writing Hannah Kase WoodsPhone: 505-820-8102 Email hwoods@nmcounties.org**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**

New Mexico 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 add exemptions directly affect a county's ability to provide these critical services.

SB92 proposes an exemption for construction materials and labor for affordable housing projects through the Affordable Housing Act (AHA). The Act does provide some guardrails by requiring authorization of the project from the local entity and identifies that the recipient receiving the deduction must be an approved AHA grantee. The proposed seven-year sunset clause would limit the long-term erosion of the tax base although these types of sunsets are often extended or repealed. According to LFC analysis, the anticipated revenue loss for local entities is difficult to quantify without more accurate data and more thorough vetting. The estimated cost is \$4.5 million annually but may be significantly more and will increase annually.

### **COUNTY REVENUES**

It is important to note that 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:

### **ESTIMATED PERCENTAGE OF RELIANCE ON GRT & PROPERTY TAXES**

<b>COUNTY</b>	<b>% GRT</b>	<b>% Property</b>
<b>Bernalillo County</b>	66%	34%
<b>Catron County</b>	40%	60%
<b>Chaves County</b>	65%	35%
<b>Cibola County</b>	65%	35%
<b>Colfax County</b>	30%	70%
<b>Curry County</b>	56%	44%
<b>De Baca County</b>	30%	70%
<b>Dona Ana County</b>	58%	42%
<b>Eddy County</b>	77%	23%
<b>Grant County</b>	64%	36%
<b>Guadalupe County</b>	41%	59%
<b>Harding County</b>	36%	64%
<b>Hidalgo County</b>	40%	60%
<b>Lea County</b>	60%	40%
<b>Lincoln County</b>	32%	68%
<b>Los Alamos County</b>	93%	7%
<b>Luna County</b>	58%	42%
<b>McKinley County</b>	75%	25%

<b>Mora County</b>	64%	36%
<b>Otero County</b>	60%	40%
<b>Quay County</b>	63%	37%
<b>Rio Arriba County</b>	61%	39%
<b>Roosevelt County</b>	48%	52%
<b>San Juan County</b>	69%	31%
<b>San Miguel County</b>	60%	40%
<b>Sandoval County</b>	45%	55%
<b>Santa Fe County</b>	62%	38%
<b>Sierra County</b>	56%	44%
<b>Socorro County</b>	54%	46%
<b>Taos County</b>	64%	36%
<b>Torrance County</b>	61%	39%
<b>Union County</b>	38%	62%
<b>Valencia County</b>	62%	38%

**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. Based on the changes over the past year identified, several counties are already seeing a significant reduction in their GRT.

**COUNTY GRT FY 24 – FY 25 AND PERCENTAGE FLUNCTUATION**

<b>COUNTY</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>% OF CHANGE</b>
<b>Bernalillo County</b>	\$311,433,967.89	\$324,928,052.96	4%
<b>Catron County</b>	\$1,266,479.35	\$1,081,504.80	-15%
<b>Chaves County</b>	\$20,184,589.74	\$20,638,015.79	2%
<b>Cibola County</b>	\$6,958,199.63	\$7,964,858.55	14%
<b>Colfax County</b>	\$2,836,997.25	\$3,191,339.77	12%
<b>Curry County</b>	\$14,074,996.65	\$13,842,703.23	-2%
<b>De Baca County</b>	\$725,747.11	\$437,005.49	-40%
<b>Dona Ana County</b>	\$75,093,080.61	\$80,428,544.55	7%
<b>Eddy County</b>	\$102,023,642.42	\$110,665,583.90	8%
<b>Grant County</b>	\$10,422,932.16	\$10,985,811.65	5%
<b>Guadalupe</b>	\$2,309,096.37	\$1,580,581.14	-32%
<b>Harding County</b>	\$367,836.44	\$356,730.48	-3%
<b>Hidalgo County</b>	\$1,150,527.14	\$1,530,857.96	33%
<b>Lea County</b>	\$48,275,303.84	\$49,656,015.01	3%
<b>Lincoln County</b>	\$3,245,920.72	\$4,586,109.67	41%
<b>Los Alamos County</b>	\$102,020,036.10	\$80,447,933.21	-21%
<b>Luna County</b>	\$9,189,779.29	\$10,662,691.30	16%
<b>McKinley County</b>	\$21,646,794.94	\$21,940,043.60	1%
<b>Mora County</b>	\$2,453,741.22	\$2,900,483.47	18%
<b>Otero County</b>	\$15,815,256.71	\$18,920,825.26	20%
<b>Quay County</b>	\$3,700,470.44	\$4,338,288.35	17%
<b>Rio Arriba County</b>	\$12,025,333.11	\$12,775,339.54	6%

<b>Roosevelt County</b>	\$6,232,597.65	\$6,852,940.17	10%
<b>San Juan County</b>	\$52,967,585.19	\$59,108,909.18	12%
<b>San Miguel County</b>	\$7,363,373.68	\$8,377,347.91	14%
<b>Sandoval County</b>	\$32,121,774.61	\$28,931,720.14	-10%
<b>Santa Fe County</b>	\$101,773,041.62	\$106,016,330.13	4%
<b>Sierra County</b>	\$5,293,608.06	\$5,352,848.16	1%
<b>Socorro County</b>	\$4,186,809.44	\$4,632,001.90	11%
<b>Taos County</b>	\$20,333,385.37	\$26,233,177.31	29%
<b>Torrance County</b>	\$6,602,975.40	\$9,936,446.08	50%
<b>Union County</b>	\$1,429,472.96	\$1,270,960.60	-11%
<b>Valencia County</b>	\$28,637,431.31	\$29,420,899.28	3%

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

**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**