

LFC Requester:	Jennifer Faubion
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to 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: 01/27/2026 *Check all that apply:*
Bill Number: SB149 Original Correction
 Amendment Substitute

Sponsor: Senator Jay Block **Agency Name and Code:** Tourism 418
Short: PROPERTY TAX CODE **Number:** _____
DEFINITIONS **Person Writing:** Victoria Gregg
Phone: 795-2176 **Email:** Victoria.gregg@td.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
NA	NA		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NA	NA			

(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	NFI	NFI	NFI			

(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:

Senate Bill 149 amends the definition of “residential property” by expanding it to include property leased or rented to lodgers for any duration, but continues to exclude hotels, motels and similar commercial structures.

FISCAL IMPLICATIONS

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.

There are no immediate direct fiscal impacts for NMTD.

SIGNIFICANT ISSUES

Senate Bill 149 would allow short-term vacation rentals to be categorized as “residential properties,” for property tax purposes.

Short-term rentals in New Mexico were used by approximately 12% of out of state visitors in 2024. The total number of active listings for short-term rentals as of January 2026 was 18,742 (Airbnb and VRBO combined), the majority of which are standalone houses (63%). Short term rentals generated \$555.4 million in rental revenues in 2025.

While Senate Bill 149 does not amend the Lodgers’ Tax Act (Sections 3-38-13 through 3-38-25, NMSA 1978), NMTD has concerns that redefining short-term rentals as “residential property” could invite arguments that such rentals should be treated as non-commercial for other tax purposes, and could therefore impact lodgers’ tax collection. Although lodgers’ tax liability is based on occupancy and not property tax classification, this reclassification could create uncertainty for counties and municipalities. Short-term rentals have been included in lodgers’ tax collection since January 2020. For communities with a disproportionate percentage of short-term rentals to traditional lodging, lodgers’ tax on short-term rentals provides much-needed revenue for promotion and marketing, which supports their overall economic health.

TECHNICAL ISSUES

Senate Bill 149 excludes from the definition of “residential property” the following: hotels, motels and similar commercial structures. What constitutes a “similar commercial structure” is not clearly defined.