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HOUSE MEMORIAL 62

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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A MEMORIAL

REQUESTING THE TAXATION AND REVENUE DEPARTMENT TO CONVENE A
TASK FORCE TO CONDUCT A COMPREHENSIVE STUDY OF TAX
CENTRALIZATION, UNIFORM SHORT-TERM RENTAL CLASSIFICATION AND
THE BROADER ECONOMIC IMPACTS OF SHORT-TERM RENTALS ON TOURISM,
WORKFORCE DEVELOPMENT, RURAL INFRASTRUCTURE AND LOCAL SERVICE
FUNDING.

WHEREAS, short-term rentals have become an integral
component of New Mexico's hospitality and tourism ecosystem,
generating more than one billion dollars (\$1,000,000,000) in
statewide economic impact and supporting thousands of jobs in
communities throughout the state, including rural and high-
tourism regions such as Taos, Santa Fe and Bernalillo counties;
and

WHEREAS, short-term rentals support diversified lodging

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1 that attracts visitors to New Mexico's cultural, historic and
2 outdoor assets, directly benefiting restaurants, retail
3 establishments, guides, outfitters and other small local
4 businesses; and

5 WHEREAS, economic activity involving short-term rentals
6 has a measurable employment multiplier, expanding work
7 opportunities for cleaners, maintenance professionals,
8 freelance contractors, virtual property managers and service
9 workers who contribute to workforce development and local
10 business vitality; and

11 WHEREAS, short-term rentals also provide supplemental
12 income that enables New Mexico families to sustain home
13 ownership and invest in their communities, thereby reinforcing
14 the entrepreneurial spirit prevalent across the state; and

15 WHEREAS, inconsistent property tax classification
16 practices by county assessors, including disparate
17 reclassifications of short-term rental properties from
18 residential to nonresidential status, have introduced
19 regulatory uncertainty and the potential for significant tax
20 increases that could unintentionally destabilize tourism-
21 related supplemental income streams; and

22 WHEREAS, rural municipalities often lack a dedicated
23 administrative capacity to uniformly collect occupancy taxes
24 and gross receipts taxes, resulting in revenue leakage that
25 could otherwise be directed toward essential local services,

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1 public safety, road maintenance, water and wastewater
2 infrastructure and broadband expansion in rural New Mexico; and

3 WHEREAS, centralized tax collection mechanisms and uniform
4 classification frameworks, developed with robust stakeholder
5 participation, may provide a path to ensuring that rural cities
6 and counties receive their fair share of revenue to fund
7 infrastructure and core services equitably; and

8 WHEREAS, the work group convened by the taxation and
9 revenue department, the tourism department and the economic
10 development department pursuant to House Memorial 52 passed
11 during the 2025 regular legislative session provided valuable
12 insights into the economic impacts, tax variability and
13 classification challenges statewide, underscoring the value of
14 a comprehensive statewide study prior to codifying permanent
15 tax or classification changes;

16 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
17 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the taxation
18 and revenue department, in coordination with the tourism
19 department, the New Mexico municipal league and the New Mexico
20 association of counties, be requested to convene a task force
21 to conduct a comprehensive study of:

22 A. the feasibility and fiscal impacts of
23 centralized collection and remittance of local lodgers' tax and
24 gross receipts tax related to short-term rentals, including
25 potential implications for rural and under-resourced

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1 communities;

2 B. a uniform framework for short-term rental
3 property classification that balances residential property
4 protections with appropriate contributions and provides
5 consistency across all of the counties in New Mexico;

6 C. the broader economic contributions of short-term
7 rentals to workforce development, small business opportunity
8 creation and the entrepreneurship ecosystem in New Mexico; and

9 D. the potential for centralized tax revenue
10 structures to enhance funding for rural infrastructure, public
11 safety, affordable housing initiatives and essential local
12 government services; and

13 BE IT FURTHER RESOLVED that the task force include
14 designated representatives from the taxation and revenue
15 department, the tourism department, the New Mexico municipal
16 league, the New Mexico association of counties, the New Mexico
17 short-term rental association, a short-term rental platform,
18 the New Mexico association of realtors, rural municipal
19 officials, county treasurers and workforce development and
20 small business stakeholders; and

21 BE IT FURTHER RESOLVED that all county assessors be
22 requested to pause any new or ongoing property tax
23 reclassifications of short-term rental properties until the
24 findings and policy recommendations of this study have been
25 presented to the appropriate interim legislative committees;

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1 and

2 BE IT FURTHER RESOLVED that the comprehensive study
3 include recommendations on alignments with requirements of the
4 Lodgers' Tax Act, potential statutory changes to support
5 centralized tax collection and strategies to direct economic
6 gains toward public infrastructure and local service funding in
7 under-resourced communities; and

8 BE IT FURTHER RESOLVED that the task force be requested to
9 submit its findings and recommendations to the appropriate
10 interim legislative committees by October 1, 2026; and

11 BE IT FURTHER RESOLVED that copies of this memorial be
12 transmitted to the governor, the secretary of taxation and
13 revenue, the secretary of tourism, the president of the New
14 Mexico municipal league and the president of the New Mexico
15 association of counties.