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FISCAL IMPACT REPORT

SPONSOR: Garcia DATE TYPED: 02/13/00 HB 82/aH AFC
 SHORT TITLE: Elderly Low Income Property Tax Valuation SB _____
 ANALYST: Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		No Fiscal Impact		

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to _____

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of H AFC Amendment

The House Appropriation and Finance Committee amendment appears to be a technical correction.

Synopsis of Bill

If a person is 65 or older with a modified gross income of up to \$18,000 and owns and occupies his/her own home, then an individual in that household would qualify for a freeze in property tax values under the provisions of this bill. Effective property tax year 2001.

FISCAL IMPLICATIONS

According to TRD, no significant fiscal impact on the state; however, the bill would limit bonding capacity growth. Impacts on counties, municipalities and school districts are expected to be small overall, but vary significantly. The attached TRD fiscal analysis shows the distribution of over 65 people by county. About 11% of New Mexico's population, or 200,000 people, would meet the age criteria; however, usually two elderly adults live in a single dwelling and only one would qualify for the freeze. Approximately one-half of the over 65 population would meet the income criteria for eligibility. Thus, an estimated 40,000 households would qualify for the freeze. Because values of the homes would be frozen, rates would adjust upward to generate the appropriate level of revenues.

ADMINISTRATIVE IMPLICATIONS

Administrative costs are noted for TRD, potentially DFA and county governments.

AW/njw:gm