

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Garcia DATE TYPED: 01/23/01 HB HJR 2
 SHORT TITLE: Limit Property Valuation of Disabled, CA SB _____
 ANALYST: Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act _____

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
		See Narrative		

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to _____

SOURCES OF INFORMATION

LFC Files
 Taxation and Revenue Department
 Governor's Committee on Concerns of the Handicapped

SUMMARY

Synopsis of Bill

The legislation proposes an amendment to the state constitution to authorize a limitation on annual valuation increases for residential property for disabled individuals. The constitutional amendment would be subject to voter approval at the next general election or special election called to consider the amendment. Effective date of the legislation would be June 15, 2001.

Significant Issues

If the amendment is approved by the voters, the legislature would be allowed to pass enabling legislation.

FISCAL IMPLICATIONS

The constitutional amendment would impose no impact on state or local revenue sources. Typically, the effect of this type of property tax policy is to shift the burden to other property tax payers because property rates could adjust as necessary.

ADMINISTRATIVE IMPLICATIONS

TRD does not anticipate any significant administrative fiscal impact from the constitutional amendment, but notes potential administrative costs corresponding to the complexity of subsequent enabling legislation.

OTHER SUBSTANTIVE ISSUES

The proposal does not consider income levels of exemption beneficiaries.

At this time, the size of the beneficiary population is not precisely known, but generally the following was provided by Governor's Committee on Concerns of the Handicapped:

- 20% of New Mexico's population has a disability.
- 70% of New Mexico's disabled population is unemployed.
- There are federal and state efforts to assist the disabled in qualifying for home ownership.

Further, when the results are released, the long form of Census 2000 posed a question that may be able to provide additional information on this issue.

POSSIBLE QUESTIONS

1. Would the enabling legislation be targeted to owner-occupied dwellings? If the intent is to assist all disabled persons, how can renters be aided?

AW/njw