

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/10/10

SPONSOR Ulibarri, Steinborn LAST UPDATED _____ HB _____

SHORT TITLE Veterans' Organization Property Tax, CA SB SJR 7

ANALYST Clifford

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Non-Rec | Fund Affected |
|-------------------|------|------|-------------------------|----------------------------|
| FY10 | FY11 | FY12 | | |
| | (*) | (*) | Recurring | Property Tax Recipients |

(Parenthesis () Indicate Revenue Decreases)

*Unknown, probably small impacts.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

Senate Joint Resolution 7 proposes a constitutional amendment that would exempt from taxation the property of a veterans' organization chartered by the United States Congress and used primarily for veterans and their families.

FISCAL IMPLICATIONS

If approved by the voters, the proposed exemption would reduce net taxable value. Local government tax rates would adjust upward slightly, offsetting the impacts on revenues but shifting some property tax liability to other taxpayers.

SIGNIFICANT ISSUES

TRD:

The proposed measure would provide another property tax-related benefit to veterans and their families. Veterans are currently provided several specific property tax benefits by the New Mexico Constitution and Property Tax Code – Articles 35 through 38 of NMSA

Senate Joint Resolution 7 – Page 2

1978. These include a \$4,000 exemption in net taxable value of real property subject to valuation under the Property Tax Code, as well as a total exemption from property taxes on property owned and occupied taxes among veterans that are 100 percent disabled by virtue of having served in U.S. armed forces. Veterans may also benefit from the property tax rebates and the Low Income Comprehensive Tax Rebate (which are also available to non-veterans).

TC/mew