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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/11

SPONSOR T. Garcia LAST UPDATED \_\_\_\_\_ HB 437

SHORT TITLE Veterans' Property Tax Exemption SB \_\_\_\_\_

ANALYST Graeser

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	NFI	NFI	Recurring	General Fund
	NFI	NFI	Recurring	State GO Bonds
	≈\$0.0	≈\$0.0	Recurring	Local operating
	NFI	NFI	Recurring	Local and School GO Bonds

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$0.0	\$0.0	\$0.0	Recurring	County Assessors and Treasurers

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Taxation and Revenue Department (TRD)

Veteran's Services Department (VSD)

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

House Bill 437 is the implementing legislation for Constitutional Amendment #4 approved last November by the voters. CA #4 was put on the ballot by the passage last session of SJR 7, introduced by David Ulibarri and Jeff Steinborn. The voters statewide approved the proposal 58% to 42%.

The bill provides that the property of a veteran's organization chartered by the United States Congress that is used primarily for the benefit of veterans and their families is exempt from property taxation.

The bill outlines the procedures that veterans' organizations must use to claim the exemption.

The exemption begins with property tax years beginning on or after January 1, 2012.

### **FISCAL IMPLICATIONS**

VSA notes that there are 175 properties owned by chartered veterans' service organizations. Assume half of these are in Bernalillo County (average taxable value \$200K and average NR property tax rate of 45 mills) and half are distributed throughout the state (average taxable value \$150K and average NR property tax rate of 30 mills). The burden shift from veterans' organizations to other non-residential properties will be about \$1.2 million statewide. No burden will shift to residential properties.

### **OTHER SUBSTANTIVE ISSUES**

Apparently, there are at least 52 veterans' service organizations chartered by the U.S. Congress. A list is attached to this FIR as Appendix A.

Last year, TRD commented on the Joint Memorial:

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 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).

LG/bym

## Veterans' Organizations Chartered by the U.S. Congress

- 1 African Amer.Post Traumatic Stress Disorder Assoc.
- 2 American Ex-Prisoners of War
- 3 American GI Forum of the United States
- 4 American Gold Star Mothers, Inc.
- 5 American Legion
- 6 American Red Cross
- 7 American War Mothers
- 8 AMVETS
- 9 Armed Forces Services Corporation
- 10 Army and Navy Union, USA, Inc.
- 11 Associates of Vietnam Veterans of America
- 12 Blinded Veterans Association
- 13 Blue Star Mothers of America, Inc.
- 14 Catholic War Veterans, USA, Inc.
- 15 Congressional Medal of Honor Society of the United States of America
- 16 Disabled American Veterans
- 17 Fleet Reserve Association
- 18 Gold Star Wives of America, Inc.
- 19 Italian American War Veterans of the USA
- 20 Jewish War Veterans of the USA
- 21 Korean War Veterans Association, Inc.
- 22 Legion of Valor of the USA, Inc.
- 23 Marine Corps League
- 24 Military Chaplains Association of the United States of America
- 25 Military Officers Association of America
- 26 Military Order of the Purple Heart of the U.S.A., Inc.
- 27 Military Order of the World Wars
- 28 National Amputation Foundation, Inc.
- 29 National Association for Black Veterans, Inc.
- 30 National Association of County Veterans Service Officers, Inc.
- 31 National Association of State Directors of Veterans Affairs (NASDVA)
- 32 National Veterans Legal Services Program
- 33 National Veterans Organization of America (NOVA)
- 34 Navy Club of the United States of America
- 35 Navy Mutual Aid Association
- 36 Non Commissioned Officers Association
- 37 Paralyzed Veterans of America
- 38 Pearl Harbor Survivors Association, Inc.
- 39 Polish Legion of American Veterans, USA
- 40 Reserve Officers Association of the United States
- 41 Swords to Plowshares: Veterans Rights Organization
- 42 The Retired Enlisted Association
- 43 United Spinal Association
- 44 United States Submarine Veterans, Inc.
- 45 US Submarine Veterans of World War II
- 46 Veterans Assistance Foundation, Inc.
- 47 Veterans of Foreign Wars of the United States
- 48 Veterans of the Vietnam War, Inc./Vets. Coalition
- 49 Veterans of World War I of the USA, Inc.
- 50 Vietnam Veterans of America
- 51 Women's Army Corps Veterans Association
- 52 Wounded Warrior Project