

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE SUBSTITUTE FOR
HOUSE MEMORIAL 52

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

A MEMORIAL

REQUESTING THE ECONOMIC DEVELOPMENT DEPARTMENT, THE TOURISM DEPARTMENT AND THE TAXATION AND REVENUE DEPARTMENT TO ESTABLISH A WORK GROUP TO STUDY THE ECONOMIC IMPACT, TAXATION AND REGULATORY FRAMEWORK OF SHORT-TERM RENTALS ACROSS NEW MEXICO; REQUESTING SUSPENSION OF RECLASSIFICATION OF SHORT-TERM RENTAL PROPERTIES UNTIL COMPLETION OF THE STUDY.

WHEREAS, the Lodgers' Tax Act defines a short-term rental as a furnished accommodation rented for less than thirty consecutive days. This definition encompasses various property types, including single-family homes, condominiums, apartments and casitas; and

WHEREAS, short-term rentals have become an increasingly significant part of New Mexico's tourism economy, providing essential accommodations for visitors and serving as a critical

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1 component of the state's hospitality industry; and

2 WHEREAS, short-term rentals also serve as a necessary part
3 of the housing market for traveling workers, including health
4 care professionals, construction crews and remote employees who
5 require flexibility and temporary lodging options in areas with
6 limited traditional accommodations; and

7 WHEREAS, some county assessors in New Mexico have begun
8 reclassifying short-term rental properties as nonresidential
9 for taxation purposes, creating potential implications for
10 property tax rates and regulatory compliance for short-term
11 rental owners and operators; and

12 WHEREAS, such reclassifications carry substantial economic
13 and legal ramifications, potentially forcing many New Mexicans
14 to cease offering short-term rentals, and it is therefore in
15 the public interest to conduct a comprehensive study before
16 permanent changes are made;

17 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
18 REPRESENTATIVES OF THE STATE OF NEW MEXICO that a short-term
19 rental work group be established by the economic development
20 department, the tourism department and the taxation and revenue
21 department to study the economic contributions, workforce
22 housing benefits, taxation policies and regulatory
23 considerations of short-term rentals statewide; and

24 BE IT FURTHER RESOLVED that this work group be composed of
25 representatives from the economic development department, the

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1 tourism department, the taxation and revenue department, the
 2 New Mexico office of housing, the New Mexico mortgage finance
 3 authority, the New Mexico short-term rental association, the
 4 New Mexico association of realtors and the assessors affiliate
 5 of the New Mexico association of counties, ensuring a
 6 collaborative and data-driven approach to short-term rental
 7 policy evaluation; and

8 BE IT FURTHER RESOLVED that the study evaluate short-term
 9 rental taxation policies, the impact of nonresidential property
 10 tax classifications, zoning and permitting regulations and
 11 potential pathways for a fair and balanced regulatory framework
 12 for short-term rental operators and local communities; and

13 BE IT FURTHER RESOLVED that the work group report findings
 14 and policy recommendations to the appropriate interim
 15 legislative committees by December 1, 2025; and

16 BE IT FURTHER RESOLVED that county assessors be requested
 17 to suspend further reclassification of short-term rental
 18 properties from residential to nonresidential until the
 19 completion of the study, ensuring that policy recommendations
 20 are based on data and economic analysis; and

21 BE IT FURTHER RESOLVED that copies of this memorial be
 22 transmitted to the secretary of economic development, the
 23 secretary of tourism, the secretary of taxation and revenue,
 24 the New Mexico short-term rental association, the New Mexico
 25 association of realtors and relevant local government

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1 associations for appropriate distribution.

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