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HOUSE BILL 221

51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014

INTRODUCED BY

Sheryl Williams Stapleton

AN ACT

RELATING TO PROPERTY TAX; PROVIDING AN EXEMPTION FROM PROPERTY TAX FOR PERSONS OF A CERTAIN AGE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of Chapter 7, Article 37 NMSA 1978 is enacted to read:

"[NEW MATERIAL] EXEMPTION--PERSONS OF A CERTAIN AGE.--

A. Up to one hundred percent of the taxable value of residential property subject to the tax is exempt from the imposition of the tax if the property is used as the primary residence of a New Mexico resident who has owned the property for at least fifteen consecutive years, who is age seventy years or older and whose modified gross income, as defined in the Income Tax Act, is forty thousand dollars (\$40,000) or less. The exemption shall be allowed in the following

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1 percentages of the taxable value of the property as follows:

2 (1) for a person age seventy years or older
3 but less than seventy-five years, fifty percent;

4 (2) for a person age seventy-five years or
5 older but less than eighty years, seventy-five percent; and

6 (3) for a person age eighty years or older,
7 one hundred percent.

8 B. The exemption shall be deducted from taxable
9 value of property to determine net taxable value of property.

10 C. The exemption shall be applied only if claimed
11 and allowed in accordance with Section 7-38-17 NMSA 1978 and
12 regulations of the department.

13 D. Only one exemption may be allowed in any tax
14 year for each residential property described in Subsection A of
15 this section."

16 SECTION 2. Section 7-38-17 NMSA 1978 (being Laws 1973,
17 Chapter 258, Section 57, as amended) is amended to read:

18 "7-38-17. CLAIMING EXEMPTIONS--REQUIREMENTS--PENALTIES.--

19 A. Subject to the requirements of Subsection E of
20 this section, head-of-family exemptions, veteran exemptions,
21 disabled veteran exemptions, [~~or~~] veterans' organization
22 exemptions or the exemption pursuant to Section 1 of this 2014
23 act claimed and allowed in a tax year need not be claimed for
24 subsequent tax years if there is no change in eligibility for
25 the exemption nor any change in ownership of the property

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1 against which the exemption was claimed. Head-of-family,
2 veteran and veterans' organization exemptions and the exemption
3 pursuant to Section 1 of this 2014 act allowable under this
4 subsection shall be applied automatically by county assessors
5 in the subsequent tax years.

6 B. Other exemptions of real property specified
7 under Section 7-36-7 NMSA 1978 for nongovernmental entities
8 shall be claimed in order to be allowed. Once such exemptions
9 are claimed and allowed for a tax year, they need not be
10 claimed for subsequent tax years if there is no change in
11 eligibility. Exemptions allowable under this subsection shall
12 be applied automatically by county assessors in subsequent tax
13 years.

14 C. Except as set forth in Subsection H of this
15 section, an exemption required to be claimed under this section
16 shall be applied for no later than thirty days after the
17 mailing of the county assessor's notices of valuation pursuant
18 to Section 7-38-20 NMSA 1978 in order for it to be allowed for
19 that tax year.

20 D. A person who has had an exemption applied to a
21 tax year and subsequently becomes ineligible for the exemption
22 because of a change in the person's status or a change in the
23 ownership of the property against which the exemption was
24 applied shall notify the county assessor of the loss of
25 eligibility for the exemption by the last day of February of

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1 the tax year immediately following the year in which loss of
2 eligibility occurs.

3 E. Exemptions may be claimed by filing proof of
4 eligibility for the exemption with the county assessor. The
5 proof shall be in a form prescribed by regulation of the
6 department. Procedures for determining eligibility of
7 claimants for any exemption shall be prescribed by regulation
8 of the department, and these regulations shall include
9 provisions for requiring the veterans' services department to
10 issue certificates of eligibility for veteran and veterans'
11 organization exemptions in a form and with the information
12 required by the department. The regulations shall also include
13 verification procedures to assure that veteran exemptions in
14 excess of the amount authorized under Section 7-37-5 NMSA 1978
15 are not allowed as a result of multiple claiming in more than
16 one county or claiming against more than one property in a
17 single tax year.

18 F. The department shall consult and cooperate with
19 the veterans' services department in the development, adoption
20 and promulgation of regulations under Subsection E of this
21 section. The veterans' services department shall comply with
22 the promulgated regulations. The veterans' services department
23 shall collect a fee of five dollars (\$5.00) for the issuance of
24 a duplicate certificate of eligibility to a veteran or to a
25 veterans' organization.

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1 G. A person who violates the provisions of this
2 section by intentionally claiming and receiving the benefit of
3 an exemption to which the person is not entitled or who fails
4 to comply with the provisions of Subsection D of this section
5 is guilty of a misdemeanor and shall be punished by a fine of
6 not more than one thousand dollars (\$1,000). A county assessor
7 or the assessor's employee who knowingly permits a claimant for
8 an exemption to receive the benefit of an exemption to which
9 the claimant is not entitled is guilty of a misdemeanor and
10 shall be punished by a fine of not more than one thousand
11 dollars (\$1,000) and shall also be automatically removed from
12 office or dismissed from employment upon conviction under this
13 subsection.

14 H. A veteran or the veteran's unmarried surviving
15 spouse who became eligible to receive a property tax exemption
16 due to the expansion of the class of eligible veterans
17 resulting from approval by the electorate in November 2004 of
18 an amendment to Article 8, Section 5 of the constitution of New
19 Mexico shall apply at the time the veteran or the veteran's
20 unmarried surviving spouse applies for the 2005 veteran
21 exemption, to the county assessor of the county in which the
22 property of the veteran or the veteran's unmarried surviving
23 spouse is located to have the veteran exemptions for the 2004
24 and 2005 property tax years applied to the 2005 taxable value
25 of the property. The same form of documentation required for a

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1 veteran's property exemption for property tax year 2005 is
2 required to be presented to the county assessor for property
3 tax year 2004."

4 SECTION 3. APPLICABILITY.--The provisions of this act
5 apply to property tax years beginning on or after January 1,
6 2014.