

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 222

53RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2018

INTRODUCED BY

William "Bill" R. Rehm

AN ACT

RELATING TO TAXATION; INCREASING THE INCOME LIMIT FOR
ELIGIBILITY FOR A LIMITATION ON PROPERTY TAX VALUATION OF A
DWELLING OCCUPIED BY A PERSON WHO IS SIXTY-FIVE YEARS OF AGE OR
OLDER OR DISABLED.

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

SECTION 1. Section 7-36-21.3 NMSA 1978 (being Laws 2000,
Chapter 21, Section 1, as amended) is amended to read:

"7-36-21.3. LIMITATION ON INCREASE IN VALUE FOR SINGLE-
FAMILY DWELLINGS OCCUPIED BY LOW-INCOME OWNERS WHO ARE SIXTY-
FIVE YEARS OF AGE OR OLDER OR DISABLED--REQUIREMENTS--
PENALTIES.--

A. For the 2001 and subsequent tax years, the
valuation for property taxation purposes of a single-family
dwelling owned and occupied by a person who is sixty-five years

.209281.2

underscoring material = new
~~[bracketed material] = delete~~

underscoring material = new
~~[bracketed material] = delete~~

1 of age or older and whose modified gross income, as defined in
2 the Income Tax Act, for the prior taxable year did not exceed
3 the greater of eighteen thousand dollars (\$18,000) or the
4 amount calculated pursuant to Subsection [F] J of this section
5 shall not be greater than the valuation of the property for
6 property taxation purposes in the:

- 7 (1) 2001 tax year;
8 (2) year in which the owner's sixty-fifth
9 birthday occurs, if that is after 2001; or
10 (3) tax year following the tax year in which
11 an owner who turns sixty-five or is sixty-five years of age or
12 older first owns and occupies the property, if that is after
13 2001.

14 B. For the 2009 and subsequent tax years, the
15 valuation for property taxation purposes of a single-family
16 dwelling owned and occupied by a person who is sixty-five years
17 of age or older or disabled and whose modified gross income, as
18 defined in the Income Tax Act, for the prior taxable year did
19 not exceed the greater of thirty-two thousand dollars (\$32,000)
20 or the amount calculated pursuant to Subsection [F] J of this
21 section shall not be greater than the valuation of the property
22 for property taxation purposes in:

- 23 (1) the 2009 tax year, if the person owns and
24 occupies the property in the 2009 tax year;
25 (2) the tax year in which the owner's

.209281.2

underscored material = new
[bracketed material] = delete

1 sixty-fifth birthday occurs, if that is after 2009; or

2 (3) the tax year following the tax year in
3 which an owner who is sixty-five years of age or older first
4 owns and occupies the property, if that is after 2009.

5 C. For the 2003 and subsequent tax years, the
6 valuation for property taxation purposes of a single-family
7 dwelling owned and occupied by a person who is disabled and
8 whose modified gross income, as defined in the Income Tax Act,
9 for the prior taxable year did not exceed the greater of
10 eighteen thousand dollars (\$18,000) or the amount calculated
11 pursuant to Subsection [~~F~~] J of this section shall not be
12 greater than the valuation of the property for property
13 taxation purposes in the:

14 (1) 2003 tax year;

15 (2) year in which the owner is determined to
16 be disabled, if that is after 2003; or

17 (3) tax year following the tax year in which
18 an owner who is disabled or who is determined in that year to
19 be disabled first owns and occupies the property, if that is
20 after 2003.

21 D. For the 2019 and subsequent tax years, the
22 valuation for property taxation purposes of a single-family
23 dwelling owned and occupied by a person who is sixty-five years
24 of age or older or disabled and whose modified gross income, as
25 defined in the Income Tax Act, for the prior taxable year did

.209281.2

underscored material = new
[bracketed material] = delete

1 not exceed the greater of one hundred twenty-five thousand
2 dollars (\$125,000) or the amount calculated pursuant to
3 Subsection J of this section shall not be greater than the
4 valuation of the property for property taxation purposes in:

5 (1) the 2019 tax year, if the person owns and
6 occupies the property in the 2019 tax year;

7 (2) the tax year in which the owner's sixty-
8 fifth birthday occurs, if that is after 2019; or

9 (3) the tax year following the tax year in
10 which an owner who is sixty-five years of age or older first
11 owns and occupies the property, if that is after 2019.

12 ~~[D-]~~ E. An owner who is entitled to a limitation in
13 valuation pursuant to more than one subsection of this section
14 may designate the subsection pursuant to which the limitation
15 shall be applied.

16 ~~[E-]~~ F. The limitation of value specified in
17 Subsections A ~~[B and C]~~ through D of this section shall be
18 claimed in order to be allowed. The limitations may be claimed
19 by filing proof of eligibility with the county assessor on an
20 application form for the limitation furnished by the assessor.
21 The application form shall be designed by the department and
22 shall provide for proof of age or disability, occupancy and
23 income eligibility. An owner who applies for the limitation of
24 value specified in this section and files proof of income
25 eligibility for the three consecutive years immediately prior

.209281.2

underscoring material = new
~~[bracketed material] = delete~~

1 to the tax year for which the application is made need not
2 claim the limitation for subsequent tax years if there is no
3 change in eligibility. The county assessor shall apply that
4 limitation automatically in subsequent tax years until a change
5 in eligibility occurs.

6 ~~[F-]~~ G. An owner who has claimed and been allowed
7 the limitation of value specified in this section for the three
8 consecutive tax years immediately prior to the 2014 tax year
9 need not claim the limitation for subsequent tax years if there
10 is no change in eligibility. The county assessor shall apply
11 that limitation automatically in subsequent tax years until a
12 change in eligibility occurs.

13 ~~[G-]~~ H. A person who has had a limitation applied
14 to a tax year and subsequently becomes ineligible for the
15 limitation because of a change in the person's status or income
16 or a change in the ownership of the property against which the
17 limitation was applied shall notify the county assessor of the
18 loss of eligibility for the limitation by the last day of
19 February of the tax year immediately following the year in
20 which loss of eligibility occurs.

21 ~~[H-]~~ I. A person who knowingly violates the
22 provisions of this section by intentionally claiming and
23 receiving the benefit of a limitation to which the person is
24 not entitled or who fails to comply with the provisions of
25 Subsection ~~[G]~~ H of this section shall be liable for all taxes

.209281.2

underscored material = new
[bracketed material] = delete

1 due, interest and a civil penalty of no more than three times
2 the amount of additional taxes due.

3 ~~[F.]~~ J. For the 2002 tax year and each subsequent
4 tax year, the maximum amount of modified gross income in
5 Subsections A ~~[B and C]~~ through D of this section shall be
6 adjusted to account for inflation. The department shall make
7 the adjustment by multiplying the maximum amount for tax year
8 2000 by a fraction, the numerator of which is the consumer
9 price index ending during the prior tax year and the
10 denominator of which is the consumer price index ending in tax
11 year 2000. The result of the multiplication shall be rounded
12 down to the nearest one hundred dollars (\$100), except that if
13 the result would be an amount less than the corresponding
14 amount for the preceding tax year, then no adjustment shall be
15 made. For purposes of this subsection, "consumer price index"
16 means the consumer price index for all urban consumers
17 published by the United States department of labor for the
18 month ending September 30. The department shall publish
19 annually the amount determined by the calculation and
20 distribute it to each county assessor no later than December 1
21 of each tax year.

22 ~~[J.]~~ K. The limitation of value specified in
23 Subsections A ~~[B and C]~~ through D of this section does not
24 apply to:

- 25 (1) a change in valuation resulting from any

.209281.2

underscoring = new
~~bracketed~~ = delete

1 physical improvements made to the property during the year
2 immediately prior to the tax year or a change in the permitted
3 use or zoning of the property during the year immediately prior
4 to the tax year; or

5 (2) a residential property in the first tax
6 year that is valued for property taxation purposes.

7 ~~[K-]~~ L. As used in this section, "disabled" means
8 a person who has been determined to be blind or permanently
9 disabled with medical improvement not expected pursuant to
10 42 USCA 421 for purposes of the federal Social Security Act
11 or is determined to have a permanent total disability
12 pursuant to the Workers' Compensation Act."

