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AN ACT  
RELATING TO TAXATION; AMENDING THE DISABLED VETERAN PROPERTY  
TAX EXEMPTION; CLARIFYING OCCUPANCY REQUIREMENTS; CLARIFYING  
EXEMPTION DETERMINATIONS FOR PROPERTIES WITH MULTIPLE  
OWNERSHIP INTERESTS; PROVIDING PROTEST PROCEDURES AND  
PROCEDURES TO CLAIM THE EXEMPTION; DECLARING AN EMERGENCY.

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

SECTION 1. Section 7-37-5.1 NMSA 1978 (being Laws 2000,  
Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1,  
as amended) is amended to read:

"7-37-5.1. DISABLED VETERAN EXEMPTION.--

A. As used in this section:

(1) "disabled veteran" means an individual  
who:

(a) has been honorably discharged from  
membership in the armed forces of the United States or has  
received a discharge certificate from a branch of the armed  
forces of the United States for civilian service recognized  
pursuant to federal law as service in the armed forces of the  
United States; and

(b) has been determined pursuant to  
federal law to have a permanent service-connected disability;  
and

(2) "honorably discharged" means discharged

1 from the armed forces pursuant to a discharge other than a  
2 dishonorable or bad conduct discharge.

3 B. The property of a disabled veteran, including  
4 joint or community property of the veteran and the veteran's  
5 spouse, is exempt from property taxation in an amount equal  
6 to the percentage of the veteran's disability as determined  
7 by federal law multiplied by the taxable value of the  
8 property after the amount that may be exempted pursuant to  
9 Section 7-37-5 NMSA 1978 is deducted; provided that the  
10 disabled veteran occupies the property continuously as the  
11 veteran's principal place of residence pursuant to  
12 regulations issued by the department and claimed pursuant to  
13 Section 7-38-17 NMSA 1978. Property held in a grantor trust  
14 established under Sections 671 through 677 of the Internal  
15 Revenue Code of 1986, as those sections may be amended or  
16 renumbered, by a disabled veteran or the veteran's surviving  
17 spouse is also exempt from property taxation if the property  
18 otherwise meets the requirements for exemption in this  
19 subsection or Subsection C of this section.

20 C. The property of the surviving spouse of a  
21 disabled veteran is exempt from property taxation if:

22 (1) the surviving spouse and the disabled  
23 veteran were married at the time of the disabled veteran's  
24 death; and

25 (2) the surviving spouse continues to occupy

1 the property continuously after the disabled veteran's death  
2 as the spouse's principal place of residence.

3 D. Upon the transfer of the principal place of  
4 residence of a disabled veteran or of a surviving spouse of a  
5 disabled veteran entitled to and granted a disabled veteran  
6 exemption, the disabled veteran or the surviving spouse may  
7 choose to:

8 (1) maintain the exemption for that  
9 residence for the remainder of the year, even if the  
10 residence is transferred during the year; or

11 (2) remove the exemption for that residence  
12 and apply it to the disabled veteran's or the disabled  
13 veteran's surviving spouse's new principal place of  
14 residence, regardless of whether the exemption was applied  
15 for and claimed within thirty days of the mailing of the  
16 county assessor's notice of valuation made pursuant to the  
17 provisions of Section 7-38-20 NMSA 1978.

18 E. The exemption provided by this section may be  
19 referred to as the "disabled veteran exemption".

20 F. If two or more disabled veterans qualify for  
21 the disabled veteran exemption on the same property, the  
22 exemption shall be determined using the highest disability  
23 percentage among the eligible disabled veteran owners.

24 G. The veterans' services department shall assist  
25 the department and the county assessors in determining which

1 veterans qualify for the disabled veteran exemption."

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

4 "7-38-17. CLAIMING EXEMPTIONS--REQUIREMENTS--  
5 PENALTIES.--

6 A. Subject to the requirements of Subsection E of  
7 this section, head-of-family exemptions, veteran exemptions,  
8 disabled veteran exemptions or veterans' organization  
9 exemptions claimed and allowed in a tax year need not be  
10 claimed for subsequent tax years if there is no change in  
11 eligibility for the exemption nor any change in ownership of  
12 the property against which the exemption was claimed. Head-  
13 of-family, veteran and veterans' organization exemptions  
14 allowable under this subsection shall be applied  
15 automatically by county assessors in the subsequent tax  
16 years.

17 B. Other exemptions of real property specified  
18 under Section 7-36-7 NMSA 1978 for nongovernmental entities  
19 shall be claimed in order to be allowed. Once such  
20 exemptions are claimed and allowed for a tax year, they need  
21 not be claimed for subsequent tax years if there is no change  
22 in eligibility. Exemptions allowable under this subsection  
23 shall be applied automatically by county assessors in  
24 subsequent tax years.

25 C. An exemption required to be claimed under this

1 section shall be applied for no later than thirty days after  
2 the mailing of the county assessor's notices of valuation  
3 pursuant to Section 7-38-20 NMSA 1978 in order for it to be  
4 allowed for that tax year. A property owner claiming an  
5 exemption that is still pending thirty days after the mailing  
6 of the county assessor's notices of valuation may file a  
7 protest pursuant to Section 7-38-21 NMSA 1978. A  
8 determination on the pending claim shall be made by the  
9 county assessor within the protest period.

10 D. A person who has had an exemption applied to a  
11 tax year and subsequently becomes ineligible for the  
12 exemption because of a change in the person's status or a  
13 change in the ownership of the property against which the  
14 exemption was applied shall notify the county assessor of the  
15 loss of eligibility for the exemption by the last day of  
16 February of the tax year immediately following the year in  
17 which loss of eligibility occurs.

18 E. Exemptions may be claimed by filing proof of  
19 eligibility for the exemption with the county assessor. The  
20 proof shall be in a form prescribed by regulation of the  
21 department. Procedures for determining eligibility of  
22 claimants for any exemption shall be prescribed by regulation  
23 of the department, and these regulations shall include  
24 provisions for requiring the veterans' services department to  
25 issue certificates of eligibility for veteran and veterans'

1 organization exemptions in a form and with the information  
2 required by the department. The regulations shall also  
3 include verification procedures to assure that veteran  
4 exemptions in excess of the amount authorized under Section  
5 7-37-5 NMSA 1978 are not allowed as a result of multiple  
6 claiming in more than one county or claiming against more  
7 than one property in a single tax year. For purposes of  
8 claiming the disabled veteran property tax exemption pursuant  
9 to Section 7-37-5.1 NMSA 1978:

10 (1) a disabled veteran shall present to the  
11 assessor a form prescribed by the department certifying that  
12 the veteran is an owner of the property and occupies the  
13 property continuously as the veteran's principal place of  
14 residence. The form shall be accompanied by the disabled  
15 veteran's certificate of eligibility issued by the veterans'  
16 services department and be presented to the county assessor  
17 at the time the disabled veteran exemption is initially  
18 claimed and upon any change in ownership of the property; or

19 (2) if the disabled veteran has submitted a  
20 veteran's disability claim to the United States department of  
21 veterans affairs and the disabled veteran certificate of  
22 eligibility has not been issued by the veterans' services  
23 department by thirty days after the mailing of the county  
24 assessor's notices of valuation, the veteran may file a  
25 protest and attach the notice of receipt of a disabled

1 veteran's disability claim as required by 35 U.S.C. 5103.

2 F. The department shall consult and cooperate with  
3 the veterans' services department in the development,  
4 adoption and promulgation of regulations under Subsection E  
5 of this section. The veterans' services department shall  
6 comply with the promulgated regulations. The veterans'  
7 services department shall collect a fee of five dollars  
8 (\$5.00) for the issuance of a duplicate certificate of  
9 eligibility to a veteran or to a veterans' organization.

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

23 SECTION 3. Section 7-38-21 NMSA 1978 (being Laws 1973,  
24 Chapter 258, Section 61, as amended) is amended to read:

25 "7-38-21. PROTESTS--COUNTY-ASSESSED PROPERTY--ELECTION

1 OF REMEDIES.--

2 A. A property owner may protest:

3 (1) the value or classification determined  
4 by the county assessor for the property owner's property for  
5 property taxation purposes;

6 (2) the allocation of value of the property  
7 to a particular governmental unit;

8 (3) a denial of a claim for an exemption or  
9 a pending claim for an exemption; or

10 (4) a limitation on increase in value.

11 B. A property owner may protest pursuant to  
12 Subsection A of this section, either by:

13 (1) filing a petition with the county  
14 assessor as provided in the Property Tax Code; or

15 (2) filing a claim for refund after paying  
16 the property owner's taxes as provided in the Property Tax  
17 Code.

18 C. The initiation of a protest under Paragraph (1)  
19 of Subsection B of this section is an election to pursue that  
20 remedy and is an unconditional and irrevocable waiver of the  
21 right to pursue the remedy provided in Paragraph (2) of  
22 Subsection B of this section.

23 D. A property owner may also protest the  
24 application to the property owner's property of any  
25 administrative fee adopted pursuant to Section 7-38-36.1 NMSA

1 1978 by filing a claim for refund after paying the property  
2 owner's taxes as provided in the Property Tax Code."

3 SECTION 4. Section 7-38-24 NMSA 1978 (being Laws 1973,  
4 Chapter 258, Section 64, as amended) is amended to read:

5 "7-38-24. PROTESTING VALUES, CLASSIFICATION, ALLOCATION  
6 OF VALUES AND DENIAL OF EXEMPTION OR LIMITATION ON INCREASE  
7 IN VALUE DETERMINED BY THE COUNTY ASSESSOR.--

8 A. Petitions for protest authorized by Section  
9 7-38-21 NMSA 1978 shall:

10 (1) be filed with the county assessor on or  
11 before:

12 (a) the later of April 1 of the  
13 property tax year to which the notice applies or thirty days  
14 after the mailing by the assessor of the notice of valuation  
15 if the notice was mailed with the preceding year's tax bill  
16 in accordance with Section 7-38-20 NMSA 1978;

17 (b) thirty days after the mailing of a  
18 property tax bill on omitted property pursuant to Section  
19 7-38-76 NMSA 1978; or

20 (c) in all other cases, thirty days  
21 after the mailing by the assessor of the notice of valuation;

22 (2) state the property owner's name and  
23 address and the description of the property;

24 (3) state why the property owner believes  
25 the value, classification, allocation of value or denial of a

1 claim of an exemption or of a limitation on increase in value  
2 is incorrect and what the property owner believes the correct  
3 value, classification, allocation of value or exemption to  
4 be; and

5 (4) state the value, classification,  
6 allocation of value or exemption that is not in controversy.

7 B. Upon receipt of the petition, the county  
8 assessor shall schedule a hearing before the county valuation  
9 protests board and notify the property owner by certified  
10 mail of the date, time and place that the property owner may  
11 appear to support the petition. The notice shall be mailed  
12 at least fifteen days prior to the hearing date.

13 C. The county assessor may provide for an informal  
14 conference on the protest before the hearing."

15 SECTION 5. EMERGENCY.--It is necessary for the public  
16 peace, health and safety that this act take effect  
17 immediately. \_\_\_\_\_