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A MEMORIAL

REQUESTING THE TAXATION AND REVENUE DEPARTMENT AND THE INTERIM REVENUE STABILIZATION AND TAX POLICY COMMITTEE TO STUDY THE INEQUITIES CREATED BY THE STATUTORY PROVISIONS LIMITING INCREASES IN VALUATION OF CERTAIN RESIDENTIAL PROPERTY.

WHEREAS, Section 7-36-21.2 NMSA 1978 provides for a limit on increases in valuation for property tax purposes of three percent per year for property that remains in the same ownership but allows for radical changes in valuation whenever property is transferred; and

WHEREAS, the statutorily mandated property valuations process has created inequities in valuation between substantially identical properties in the same county and has increased the inequities among property tax values in different counties; and

WHEREAS, this system of property valuation gives a tax advantage to persons able to remain in their homes while putting at a disadvantage first-time home buyers and many elderly home buyers and creates a hardship for persons who need to relocate to another home; and

WHEREAS, the higher tax level resulting from the higher valuation makes it difficult to develop affordable housing projects and creates difficulty for some homeowners in

1 meeting monthly mortgage payments; and

2 WHEREAS, county assessors do not uniformly use sales
3 price disclosure data in revaluing property upon transfer but
4 employ various individual approaches and the differing
5 valuation standards make it hard to determine if assessors
6 are valuing all properties fairly; and

7 WHEREAS, there is no clearly defined standard of
8 "current and correct" value by which to judge the compliance
9 of the various county assessors;

10 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE
11 STATE OF NEW MEXICO that the property tax division of the
12 taxation and revenue department undertake a review of the
13 assessment process as it is actually carried out by county
14 assessors and the status of "current and correct" values in
15 all counties of the state and present a report no later than
16 September 15, 2007 to the interim revenue stabilization and
17 tax policy committee on the presence or absence of inequities
18 in property tax valuation in New Mexico; and

19 BE IT FURTHER RESOLVED that the interim revenue
20 stabilization and tax policy committee, using the report from
21 the taxation and revenue department, develop recommendations
22 for statutory changes to make the residential property
23 valuation system in New Mexico more equitable and present
24 these recommendations to the second session of the
25 forty-eighth legislature; and

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BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the secretary of taxation and revenue and the director of the legislative council service. _____