

A MEMORIAL

REQUESTING THE NEW MEXICO LEGISLATIVE COUNCIL TO ASSIGN THE APPROPRIATE INTERIM COMMITTEE TO REVIEW THE IMPLICATIONS OF CAPPING FOR PROPERTY TAX PURPOSES THE ASSESSED VALUATION OF UNIMPROVED PROPERTY.

WHEREAS, homeowners' property tax bills have been relatively stable over the last several years as increases in assessed valuation for property tax purposes have been capped at three percent a year; and

WHEREAS, the legislature properly acted to cap increases in assessed valuation to mitigate against the shocking effects of "tax lightning", which resulted as the real estate market drove up the potential, but unrealized, gains in property values; and

WHEREAS, capping increases in the assessed valuation of residential property also had the effect of shifting more of the property tax burden to unimproved property, the owners of which do not enjoy a cap on increases in assessed valuation; and

WHEREAS, owners of unimproved property face many of the same financial challenges as homeowners who previously faced sharp and sudden increases in their property tax bills;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the New Mexico

legislative council be requested to assign the appropriate interim committee to review the policies and implications associated with similarly capping increases in the assessed valuation of vacant property, and then report its findings and recommendations, if any, to the first session of the forty-ninth legislature; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the co-chairs of the New Mexico legislative council.