

A MEMORIAL

REQUESTING THE INTERIM REVENUE STABILIZATION AND TAX POLICY COMMITTEE TO STUDY THE NEED FOR CHANGES TO THE PROPERTY TAX SYSTEM TO ACCOMMODATE THE UNIQUE CHARACTERISTICS OF NEW MEXICO'S TRADITIONAL COMMUNITIES.

WHEREAS, a fair system of property taxation is in the best interests of the state of New Mexico and its citizens; and

WHEREAS, New Mexico is a diverse state with many different land use patterns; and

WHEREAS, in some areas of New Mexico, residential property is frequently sold and resold, while in other areas, traditional land ownership patterns survive and change in ownership is infrequent; and

WHEREAS, in some areas of New Mexico, real property is regarded as an investment and as a commodity intended to be sold for a profit, while in other areas, such as traditional and rural communities, the uniqueness of real property is recognized and property is often retained in family ownership for generations as a source of connection to family, community and historical tradition; and

WHEREAS, the Property Tax Code makes no special provision for valuation of vacant land; and

WHEREAS, the three percent annual limitation on

increases in value does not apply to vacant land, thereby making it costly to retain ownership of vacant land; and

WHEREAS, in northern New Mexico, local governments have recognized the unique characteristics of traditional communities and the importance of preserving traditional communities by granting them special consideration in land use and zoning decisions; and

WHEREAS, the Property Tax Code does not make a distinction between real property in these traditional communities and real property in other, often urbanized areas of New Mexico; and

WHEREAS, the lack of recognition of the unique characteristics of rural and traditional communities has led to great hardship for the owners of property in these communities due to inflated property tax valuations that arise from real property being treated as a commodity;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the interim revenue stabilization and tax policy committee be requested to conduct a study of the detrimental effects of the present property tax system on traditional and rural areas of New Mexico with respect to both owner-occupied residential property and vacant land and to develop recommendations to relieve these inequities; and

BE IT FURTHER RESOLVED that the committee make specific

recommendations for changes needed in the constitution of New Mexico, the Property Tax Code and property tax administrative procedures and endorse legislation to enact these changes; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the chair of the interim revenue stabilization and tax policy committee, the co-chairs of the New Mexico legislative council and the director of the legislative council service.