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AN ACT

RELATING TO TAXATION; PROVIDING FOR AN AUTOMATIC APPLICATION OF THE LIMITATION ON INCREASE IN VALUE FOR SINGLE-FAMILY DWELLINGS OCCUPIED BY LOW-INCOME OWNERS SIXTY-FIVE YEARS OF AGE OR OLDER OR DISABLED; PROVIDING FOR PENALTIES.

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

- (1) 2001 tax year;
- (2) year in which the owner's sixty-fifth

1 birthday occurs, if that is after 2001; or

2 (3) tax year following the tax year in which  
3 an owner who turns sixty-five or is sixty-five years of age  
4 or older first owns and occupies the property, if that is  
5 after 2001.

6 B. For the 2009 and subsequent tax years, the  
7 valuation for property taxation purposes of a single-family  
8 dwelling owned and occupied by a person who is sixty-five  
9 years of age or older or disabled and whose modified gross  
10 income, as defined in the Income Tax Act, for the prior  
11 taxable year did not exceed the greater of thirty-two  
12 thousand dollars (\$32,000) or the amount calculated pursuant  
13 to Subsection I of this section shall not be greater than the  
14 valuation of the property for property taxation purposes in:

15 (1) the 2009 tax year, if the person owns  
16 and occupies the property in the 2009 tax year;

17 (2) the tax year in which the owner's  
18 sixty-fifth birthday occurs, if that is after 2009; or

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

22 C. For the 2003 and subsequent tax years, the  
23 valuation for property taxation purposes of a single-family  
24 dwelling owned and occupied by a person who is disabled and  
25 whose modified gross income, as defined in the Income Tax

1 Act, for the prior taxable year did not exceed the greater of  
2 eighteen thousand dollars (\$18,000) or the amount calculated  
3 pursuant to Subsection I of this section shall not be greater  
4 than the valuation of the property for property taxation  
5 purposes in the:

6 (1) 2003 tax year;

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

9 (3) tax year following the tax year in which  
10 an owner who is disabled or who is determined in that year to  
11 be disabled first owns and occupies the property, if that is  
12 after 2003.

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

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

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

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

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

22 H. A person who knowingly violates the provisions  
23 of this section by intentionally claiming and receiving the  
24 benefit of a limitation to which the person is not entitled  
25 or who fails to comply with the provisions of Subsection G of

1 this section shall be liable for all taxes due, interest and  
2 a civil penalty of no more than three times the amount of  
3 additional taxes due.

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

23 J. The limitation of value specified in  
24 Subsections A, B and C of this section does not apply to:

25 (1) a change in valuation resulting from any

1 physical improvements made to the property during the year  
2 immediately prior to the tax year or a change in the  
3 permitted use or zoning of the property during the year  
4 immediately prior 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. As used in this section, "disabled" means a  
8 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 or  
11 is determined to have a permanent total disability pursuant to  
12 the Workers' Compensation Act." \_\_\_\_\_

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