

1 SENATE BILL 220

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Peter Wirth and William "Bill" R. Rehm

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10 AN ACT

11 RELATING TO TAXATION; INCREASING THE INCOME LIMIT FOR
12 ELIGIBILITY FOR A LIMITATION ON PROPERTY TAX VALUATION OF A
13 DWELLING OCCUPIED BY A PERSON SIXTY-FIVE YEARS OF AGE OR OLDER
14 OR DISABLED.

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

17 SECTION 1. Section 7-36-21.3 NMSA 1978 (being Laws 2000,
18 Chapter 21, Section 1, as amended) is amended to read:

19 "7-36-21.3. LIMITATION ON INCREASE IN VALUE FOR SINGLE-
20 FAMILY DWELLINGS OCCUPIED BY LOW-INCOME OWNERS SIXTY-FIVE YEARS
21 OF AGE OR OLDER OR DISABLED--REQUIREMENTS--PENALTIES.--

22 A. For the 2001 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 sixty-five years
25 of age or older and whose modified gross income, as defined in

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

- 6 (1) 2001 tax year;
- 7 (2) year in which the owner's sixty-fifth
8 birthday occurs, if that is after 2001; or
- 9 (3) tax year following the tax year in which
10 an owner who turns sixty-five or is sixty-five years of age or
11 older first owns and occupies the property, if that is after
12 2001.

13 B. For the 2009 and subsequent tax years, the
14 valuation for property taxation purposes of a single-family
15 dwelling owned and occupied by a person who is sixty-five years
16 of age or older or disabled and whose modified gross income, as
17 defined in the Income Tax Act, for the prior taxable year did
18 not exceed the greater of thirty-two thousand dollars (\$32,000)
19 or the amount calculated pursuant to Subsection [F] J of this
20 section shall not be greater than the valuation of the property
21 for property taxation purposes in the:

- 22 (1) [~~the~~] 2009 tax year, if the person owns
23 and occupies the property in the 2009 tax year;
- 24 (2) [~~the~~] tax year in which the owner's
25 sixty-fifth birthday occurs, if that is after 2009; or

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

4 C. For the 2003 and subsequent tax years, the
5 valuation for property taxation purposes of a single-family
6 dwelling owned and occupied by a person who is disabled and
7 whose modified gross income, as defined in the Income Tax Act,
8 for the prior taxable year did not exceed the greater of
9 eighteen thousand dollars (\$18,000) or the amount calculated
10 pursuant to Subsection [~~F~~] J of this section shall not be
11 greater than the valuation of the property for property
12 taxation purposes in the:

13 (1) 2003 tax year;

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

16 (3) tax year following the tax year in which
17 an owner who is disabled or who is determined in that year to
18 be disabled first owns and occupies the property, if that is
19 after 2003.

20 D. For the 2020 and subsequent tax years, the
21 valuation for property taxation purposes of a single-family
22 dwelling owned and occupied by a person who is sixty-five years
23 of age or older or disabled and whose modified gross income, as
24 defined in the Income Tax Act, for the prior taxable year did
25 not exceed the greater of thirty-five thousand dollars

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1 (\$35,000) or the amount calculated pursuant to Subsection J of
2 this section shall not be greater than the valuation of the
3 property for property taxation purposes in the:

4 (1) 2020 tax year, if the person owns and
5 occupies the property in the 2020 tax year;

6 (2) tax year in which the owner's sixty-fifth
7 birthday occurs, if that is after 2020; or

8 (3) tax year following the tax year in which
9 an owner who is sixty-five years of age or older first owns and
10 occupies the property, if that is after 2020.

11 ~~[D-]~~ E. An owner who is entitled to a limitation in
12 valuation pursuant to more than one subsection of this section
13 may designate the subsection pursuant to which the limitation
14 shall be applied.

15 ~~[E-]~~ F. The limitation of value specified in
16 Subsections A ~~[B and C]~~ through D of this section shall be
17 claimed in order to be allowed. The limitations may be claimed
18 by filing proof of eligibility with the county assessor on an
19 application form for the limitation furnished by the assessor.
20 The application form shall be designed by the department and
21 shall provide for proof of age or disability, occupancy and
22 income eligibility. An owner who applies for the limitation of
23 value specified in this section and files proof of income
24 eligibility for the three consecutive years immediately prior
25 to the tax year for which the application is made need not

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1 claim the limitation for subsequent tax years if there is no
2 change in eligibility. The county assessor shall apply that
3 limitation automatically in subsequent tax years until a change
4 in eligibility occurs.

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

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

20 ~~[H.]~~ I. A person who knowingly violates the
21 provisions of this section by intentionally claiming and
22 receiving the benefit of a limitation to which the person is
23 not entitled or who fails to comply with the provisions of
24 Subsection ~~[G]~~ H of this section shall be liable for all taxes
25 due, interest and a civil penalty of no more than three times

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1 the amount of additional taxes due.

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

21 [~~J.~~] K. The limitation of value specified in
22 Subsections A [~~B and C~~] through D of this section does not
23 apply to:

- 24 (1) a change in valuation resulting from any
25 physical improvements made to the property during the year

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1 immediately prior to the tax year or a change in the permitted
2 use or zoning of the property during the year immediately prior
3 to the tax year; or

4 (2) a residential property in the first tax
5 year that is valued for property taxation purposes.

6 ~~[K-]~~ L. As used in this section, "disabled" means
7 a person who has been determined to be blind or permanently
8 disabled with medical improvement not expected pursuant to
9 42 USCA 421 for purposes of the federal Social Security Act
10 or is determined to have a permanent total disability
11 pursuant to the Workers' Compensation Act."