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AN ACT

RELATING TO PROPERTY TAX; CLARIFYING THE LIMITATION ON  
VALUATION INCREASES FOR LOW-INCOME DISABLED PERSONS.

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 WHO ARE  
SIXTY-FIVE YEARS OF AGE OR OLDER OR DISABLED--REQUIREMENTS--  
PENALTIES.--

A. 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 or disabled and whose  
modified gross income for the prior taxable year did not  
exceed the greater of thirty-five thousand dollars (\$35,000)  
or the amount calculated pursuant to Subsection F of this  
section shall not be greater than the assessed valuation of  
the property for property taxation purposes:

(1) for a person sixty-five years of age or  
older in the tax year in which the owner qualifies and files  
an application; or

(2) for a person who is disabled in the tax  
year in which the owner qualified and files an application

1 for the limitation provided by this section.

2 B. The limitation provided by this section may be  
3 claimed by filing proof of eligibility with the county  
4 assessor on an application form furnished by the assessor.  
5 The application shall be filed no later than thirty days  
6 after the date of mailing by the assessor of the notice of  
7 valuation. The application form shall be designed by the  
8 department and shall provide for proof of age or disability,  
9 occupancy and income eligibility. An owner who applies for  
10 the limitation of value specified in this section and files  
11 proof of income eligibility for the three consecutive years  
12 immediately subsequent to the tax year for which the  
13 application is made need not claim the limitation for  
14 subsequent tax years if there is no change in eligibility.  
15 The county assessor shall apply the limitation automatically  
16 in subsequent tax years until a change in eligibility occurs.

17 C. An owner who has claimed and been allowed the  
18 limitation of value specified in this section for the three  
19 consecutive tax years immediately prior to the 2020 tax year  
20 is not required to claim the limitation for subsequent tax  
21 years if there is no change in eligibility, unless the county  
22 assessor requests updated information on the owner's modified  
23 gross income. The county assessor shall apply the limitation  
24 automatically in subsequent tax years until a change in  
25 eligibility occurs.

1           D. A person who has had a limitation applied to a  
2 tax year and subsequently becomes ineligible for the  
3 limitation because of a change in the person's status or  
4 income or a change in the ownership of the property against  
5 which the limitation was applied shall notify the county  
6 assessor of the loss of eligibility for the limitation by the  
7 last day of February of the tax year immediately following  
8 the year in which loss of eligibility occurs.

9           E. A person who knowingly violates the provisions  
10 of this section by intentionally claiming and receiving the  
11 benefit of a limitation to which the person is not entitled  
12 or who fails to comply with the provisions of Subsection D of  
13 this section shall be liable for all taxes due, interest and  
14 a civil penalty of one thousand dollars (\$1,000).

15           F. For the 2020 tax year and each subsequent tax  
16 year, the maximum amount of modified gross income in  
17 Subsection A of this section shall be adjusted to account for  
18 inflation. The department shall make the adjustment by  
19 multiplying thirty-five thousand dollars (\$35,000) by a  
20 fraction, the numerator of which is the consumer price index  
21 ending during the prior tax year and the denominator of which  
22 is the consumer price index ending in tax year 2019. The  
23 result of the multiplication shall be rounded down to the  
24 nearest one hundred dollars (\$100), except that if the result  
25 would be an amount less than the corresponding amount for the

1 preceding tax year, then no adjustment shall be made.

2 G. The department shall publish annually the  
3 amount determined by the calculation made pursuant to  
4 Subsection F of this section and provide the calculated  
5 amount to each county assessor no later than December 1 of  
6 each tax year.

7 H. The limitation of value specified in  
8 Subsection A of this section does not apply to:

9 (1) a change in valuation resulting from any  
10 physical improvements made to the property during the year  
11 immediately prior to the tax year or a change in the  
12 permitted use or zoning of the property during the year  
13 immediately prior to the tax year; or

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

16 I. As used in this section:

17 (1) "consumer price index" means the  
18 consumer price index for all urban consumers published by the  
19 United States department of labor for the month ending  
20 September 30;

21 (2) "disabled" means a person who has been  
22 determined to be blind or permanently disabled with medical  
23 improvement not expected pursuant to 42 USCA 421 for purposes  
24 of the federal Social Security Act or is determined to have a  
25 permanent total disability pursuant to the Workers'

