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SENATE BILL 300

56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023

INTRODUCED BY

Harold Pope and Craig W. Brandt

AN ACT

RELATING TO PROPERTY TAX; AMENDING PROVISIONS TO CLAIM A
PROPERTY TAX EXEMPTION FOR DISABLED VETERANS WHO CHANGE PRIMARY
PLACES OF RESIDENCE OR IF THE PROPERTY IS HELD IN A GRANTOR
TRUST.

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

SECTION 1. Section 7-37-5.1 NMSA 1978 (being Laws 2000,
Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1, as
amended) is amended to read:

"7-37-5.1. DISABLED VETERAN EXEMPTION.--

A. As used in this section:

(1) "disabled veteran" means an individual
who:

(a) has been honorably discharged from
membership in the armed forces of the United States or has

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1 received a discharge certificate from a branch of the armed
2 forces of the United States for civilian service recognized
3 pursuant to federal law as service in the armed forces of the
4 United States; and

5 (b) has been determined pursuant to
6 federal law to have a one hundred percent permanent and total
7 service-connected disability; and

8 (2) "honorably discharged" means discharged
9 from the armed forces pursuant to a discharge other than a
10 dishonorable or bad conduct discharge.

11 B. The property of a disabled veteran, including
12 joint or community property of the veteran and the veteran's
13 spouse, is exempt from property taxation if it is occupied by
14 the disabled veteran as the veteran's principal place of
15 residence. Property held in a grantor trust established under
16 Sections 671 through 677 of the Internal Revenue Code of 1986,
17 as those sections may be amended or renumbered, by a disabled
18 veteran or the veteran's surviving spouse is also exempt from
19 property taxation if the property otherwise meets the
20 requirements for exemption in this subsection or Subsection C
21 of this section.

22 C. The property of the surviving spouse of a
23 disabled veteran is exempt from property taxation if:

24 (1) the surviving spouse and the disabled
25 veteran were married at the time of the disabled veteran's

1 death; and

2 (2) the surviving spouse continues to occupy
3 the property continuously after the disabled veteran's death as
4 the spouse's principal place of residence.

5 D. Upon the transfer of the principal place of
6 residence of a disabled veteran or of a surviving spouse of a
7 disabled veteran entitled to and granted a disabled veteran
8 exemption, the disabled veteran or the surviving spouse may
9 choose to:

10 (1) maintain the exemption for that residence
11 for the remainder of the year, even if the residence is
12 transferred during the year; or

13 (2) remove the exemption for that residence
14 for the current tax year and apply it to the disabled veteran's
15 or the disabled veteran's surviving spouse's new principal
16 place of residence for the current tax year, regardless of
17 whether the exemption was applied for and claimed within thirty
18 days of the mailing of the county assessor's notice of
19 valuation made pursuant to the provisions of Section 7-38-20
20 NMSA 1978. To transfer the exemption, the disabled veteran or
21 the disabled veteran's surviving spouse shall make a transfer
22 request to the county assessor, in writing and no later than
23 thirty days following the change of ownership, requesting to
24 remove the exemption from the prior principal place of
25 residence and apply it to the new principal place of residence.

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1 E. The exemption provided by this section may be
2 referred to as the "disabled veteran exemption".

3 F. The disabled veteran exemption shall be applied
4 only if claimed and allowed in accordance with Section 7-38-17
5 NMSA 1978 and the rules of the department.

6 G. The veterans' services department shall assist
7 the department and the county assessors in determining which
8 veterans qualify for the disabled veteran exemption."

9 SECTION 2. Section 7-38-17 NMSA 1978 (being Laws 1973,
10 Chapter 258, Section 57, as amended) is amended to read:

11 "7-38-17. CLAIMING EXEMPTIONS--REQUIREMENTS--PENALTIES.--

12 A. Subject to the requirements of Subsection E of
13 this section, head-of-family exemptions, veteran exemptions,
14 disabled veteran exemptions or veterans' organization
15 exemptions claimed and allowed in a tax year need not be
16 claimed for subsequent tax years if there is no change in
17 eligibility for the exemption nor any change in ownership of
18 the property against which the exemption was claimed. Head-of-
19 family, veteran and veterans' organization exemptions allowable
20 under this subsection shall be applied automatically by county
21 assessors in the subsequent tax years.

22 B. Other exemptions of real property specified
23 under Section 7-36-7 NMSA 1978 for nongovernmental entities
24 shall be claimed in order to be allowed. Once such exemptions
25 are claimed and allowed for a tax year, they need not be

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1 claimed for subsequent tax years if there is no change in
2 eligibility. Exemptions allowable under this subsection shall
3 be applied automatically by county assessors in subsequent tax
4 years.

5 C. Except as set forth in [~~Subsection~~] Subsections
6 H and I of this section, an exemption required to be claimed
7 under this section shall be applied for no later than thirty
8 days after the mailing of the county assessor's notices of
9 valuation pursuant to Section 7-38-20 NMSA 1978 in order for it
10 to be allowed for that tax year.

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

19 E. Exemptions may be claimed by filing proof of
20 eligibility for the exemption with the county assessor. The
21 proof shall be in a form prescribed by regulation of the
22 department. Procedures for determining eligibility of
23 claimants for any exemption shall be prescribed by regulation
24 of the department, and these regulations shall include
25 provisions for requiring the veterans' services department to

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1 issue certificates of eligibility for veteran and veterans'
2 organization exemptions in a form and with the information
3 required by the department. The regulations shall also include
4 verification procedures to assure that veteran exemptions in
5 excess of the amount authorized under Section 7-37-5 NMSA 1978
6 are not allowed as a result of multiple claiming in more than
7 one county or claiming against more than one property in a
8 single tax year.

9 F. The department shall consult and cooperate with
10 the veterans' services department in the development, adoption
11 and promulgation of regulations under Subsection E of this
12 section. The veterans' services department shall comply with
13 the promulgated regulations. The veterans' services department
14 shall collect a fee of five dollars (\$5.00) for the issuance of
15 a duplicate certificate of eligibility to a veteran or to a
16 veterans' organization.

17 G. A person who violates the provisions of this
18 section by intentionally claiming and receiving the benefit of
19 an exemption to which the person is not entitled or who fails
20 to comply with the provisions of Subsection D of this section
21 is guilty of a misdemeanor and shall be punished by a fine of
22 not more than one thousand dollars (\$1,000). A county assessor
23 or the assessor's employee who knowingly permits a claimant for
24 an exemption to receive the benefit of an exemption to which
25 the claimant is not entitled is guilty of a misdemeanor and

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1 shall be punished by a fine of not more than one thousand
2 dollars (\$1,000) and shall also be automatically removed from
3 office or dismissed from employment upon conviction under this
4 subsection.

5 H. A veteran or the veteran's unmarried surviving
6 spouse who became eligible to receive a property tax exemption
7 due to the expansion of the class of eligible veterans
8 resulting from approval by the electorate in November 2004 of
9 an amendment to Article 8, Section 5 of the constitution of New
10 Mexico shall apply at the time the veteran or the veteran's
11 unmarried surviving spouse applies for the 2005 veteran
12 exemption, to the county assessor of the county in which the
13 property of the veteran or the veteran's unmarried surviving
14 spouse is located to have the veteran exemptions for the 2004
15 and 2005 property tax years applied to the 2005 taxable value
16 of the property. The same form of documentation required for a
17 veteran's property exemption for property tax year 2005 is
18 required to be presented to the county assessor for property
19 tax year 2004.

20 I. The property of a disabled veteran or a disabled
21 veteran's unmarried surviving spouse, including joint or
22 community property of the veteran and the veteran's spouse, is
23 exempt from property taxation if it is occupied as the disabled
24 veteran's or the disabled veteran's unmarried surviving
25 spouse's principal place of residence. Property held in a

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1 grantor trust established under Sections 671 through 677 of the
2 Internal Revenue Code of 1986, as those sections may be amended
3 or renumbered, that is occupied as the disabled veteran's or
4 the disabled veteran's unmarried surviving spouse's principal
5 place of residence is also exempt from property taxation if the
6 property otherwise meets the requirements for exemption at the
7 time application is made. If the certificate is presented
8 after the thirty days after the mailing of the county
9 assessor's notices of valuation, but within thirty days
10 following the change of ownership, adjustments shall be made to
11 the tax roll so that the property will be exempt for the entire
12 current tax year."