

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 148

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

AN ACT

RELATING TO PROPERTY TAX; AMENDING AND ENACTING SECTIONS OF THE  
PROPERTY TAX CODE; PROVIDING LIMITATIONS ON THE VALUATION OF  
NONRESIDENTIAL PROPERTY; REQUIRING AN AFFIDAVIT TO BE FILED  
WITH THE COUNTY ASSESSOR FOR THE TRANSFER OF CERTAIN REAL  
PROPERTY; EXCLUDING CERTAIN REAL PROPERTY TRANSFERS FROM THE  
REQUIREMENT TO FILE AN AFFIDAVIT; PROVIDING A CONTINGENT  
EFFECTIVE DATE.

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

SECTION 1. A new section of the Property Tax Code,  
Section 7-36-21.4 NMSA 1978, is enacted to read:

"7-36-21.4. ~~[NEW MATERIAL]~~ LIMITATION ON NONRESIDENTIAL  
PROPERTY VALUATION.--

A. Nonresidential property shall be valued at its  
current and correct value in accordance with the provisions of

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underscored material = new  
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1 the Property Tax Code; provided that for the 2027 and  
2 subsequent tax years, the value of a property in any tax year  
3 shall not exceed one hundred five percent of the value in the  
4 tax year prior to the tax year in which the property is being  
5 valued.

6 B. The limitation on increases in value in  
7 Subsection A of this section does not apply to:

8 (1) a nonresidential property in the first tax  
9 year that the property is valued for property taxation  
10 purposes;

11 (2) any increase of square footage of physical  
12 improvements on a property during the year immediately prior to  
13 the tax year or omitted in a prior tax year, except for  
14 reproduction of physical improvements destroyed by a declared  
15 state disaster or emergency; or

16 (3) valuation of a nonresidential property in  
17 any tax year in which the use or zoning of the property has  
18 changed in the year prior to the tax year.

19 C. As used in this section:

20 (1) "declared state disaster or emergency"  
21 means a disaster or emergency event for which:

22 (a) a governor's state-of-emergency  
23 proclamation has been issued; or

24 (b) a presidential declaration of a  
25 federal major disaster or emergency has been issued; and

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1 (2) "reproduction" means a new construction  
 2 structure that is a close or an exact copy of previously  
 3 existing physical improvements that have substantially similar  
 4 total square footage, living square footage and quality of  
 5 building materials that tends to replicate the previously  
 6 existing structure."

7 SECTION 2. Section 7-38-12.1 NMSA 1978 (being Laws 2003,  
 8 Chapter 118, Section 2, as amended) is amended to read:

9 "7-38-12.1. [~~RESIDENTIAL~~] REAL PROPERTY TRANSFERS--  
 10 AFFIDAVIT TO BE FILED WITH ASSESSOR.--

11 A. [~~After January 1, 2004~~] A transferor or the  
 12 transferor's authorized agent or a transferee or the  
 13 transferee's authorized agent presenting for recording with a  
 14 county clerk a deed, real estate contract or memorandum of real  
 15 estate contract transferring an interest in real property  
 16 [~~classified as residential property~~] for property taxation  
 17 purposes shall also file with the county assessor within thirty  
 18 days of the date of filing with the county clerk an affidavit  
 19 signed and completed in accordance with the provisions of  
 20 Subsection B of this section.

21 B. The affidavit required for submission shall be  
 22 in a form approved by the department and signed by the  
 23 transferors or their authorized agents or the transferees or  
 24 their authorized agents of any interest in [~~residential~~] real  
 25 property transferred by deed or real estate contract. The

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1 affidavit shall contain only the following information to be  
2 used only for analytical and statistical purposes in the  
3 application of appraisal methods:

4 (1) the complete names of all transferors and  
5 transferees;

6 (2) the current mailing addresses of all  
7 transferors and transferees;

8 (3) the legal description of the real property  
9 interest transferred as it appears in the document of transfer;

10 (4) the full consideration, including money or  
11 any other thing of value, paid or exchanged for the transfer  
12 and the terms of the sale, including any amount of seller  
13 incentives; and

14 (5) the value and a description of personal  
15 property that is included in the sale price.

16 C. Upon receipt of the affidavit required by  
17 Subsection A of this section, the county assessor shall place  
18 the date of receipt on the original affidavit and on a copy of  
19 the affidavit. The county assessor shall retain the original  
20 affidavit as a confidential record and as proof of compliance  
21 and shall return the copy marked with the date of receipt to  
22 the person presenting the affidavit. The assessor shall index  
23 the affidavits in a manner that permits cross-referencing to  
24 other records in the assessor's office pertaining to the  
25 specific property described in the affidavit. The affidavit

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1 and its contents are not part of the valuation record of the  
 2 assessor.

3 D. The affidavit required by Subsection A of this  
 4 section shall not be required for:

5 [~~(1)~~] ~~a deed transferring nonresidential~~  
 6 ~~property;~~

7 ~~(2)]~~ (1) a deed that results from the payment  
 8 in full or forfeiture by a transferee under a recorded real  
 9 estate contract or recorded memorandum of real estate contract;

10 [~~(3)~~] (2) a lease of or easement on real  
 11 property, regardless of the length of term;

12 [~~(4)~~] (3) a deed, patent or contract for sale  
 13 or transfer of real property in which an agency or  
 14 representative of the United States or New Mexico or any  
 15 political subdivision of the state is the named grantor or  
 16 grantee and authorized transferor or transferee;

17 [~~(5)~~] (4) a quitclaim deed to quiet title or  
 18 clear boundary disputes;

19 [~~(6)~~] (5) a conveyance of real property  
 20 executed pursuant to court order;

21 [~~(7)~~] (6) a deed to an unpatented mining  
 22 claim;

23 [~~(8)~~] (7) an instrument solely to provide or  
 24 release security for a debt or obligation;

25 [~~(9)~~] (8) an instrument that confirms or

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1 corrects a deed previously recorded;

2 [~~(10)~~] (9) an instrument between [~~husband and~~  
3 ~~wife~~] married individuals or parent and child with only nominal  
4 actual consideration therefor;

5 [~~(11)~~] (10) an instrument arising out of a  
6 sale for delinquent taxes or assessments;

7 [~~(12)~~] (11) an instrument accomplishing a  
8 court-ordered partition;

9 [~~(13)~~] (12) an instrument arising out of a  
10 merger or incorporation;

11 [~~(14)~~] (13) an instrument by a subsidiary  
12 corporation to its parent corporation for no consideration,  
13 nominal consideration or in sole consideration of the  
14 cancellation or surrender of the subsidiary's stock;

15 [~~(15)~~] (14) an instrument from a person to a  
16 trustee or from a trustee to a trust beneficiary with only  
17 nominal actual consideration therefor;

18 [~~(16)~~] (15) an instrument to or from an  
19 intermediary for the purpose of creating a joint tenancy estate  
20 or some other form of ownership; [~~or~~]

21 [~~(17)~~] (16) an instrument delivered to  
22 establish a gift or a distribution from an estate of a decedent  
23 or trust;

24 (17) a deed, patent or contract for sale or  
25 transfer of real property in which the property was valued

1 pursuant to Section 7-36-20 NMSA 1978 in the prior tax year; or  
2 (18) an instrument delivered to convey solely  
3 the mineral or subsurface estate of real property.

4 E. The affidavit required by Subsection A of this  
5 section shall not be construed to be a valuation record  
6 pursuant to Section 7-38-19 NMSA 1978.

7 ~~[F. Prior to November 1, 2003, the department shall~~  
8 ~~print and distribute to each county assessor affidavit forms~~  
9 ~~for distribution to the public upon request.]"~~

10 SECTION 3. APPLICABILITY.--The provisions of this act  
11 apply to property tax years beginning on or after January 1,  
12 2027.

13 SECTION 4. CONTINGENT EFFECTIVE DATE.--The provisions of  
14 this act shall become effective upon certification by the  
15 secretary of state that the constitution of New Mexico has been  
16 amended as proposed by a joint resolution of the second session  
17 of the fifty-seventh legislature, entitled "A JOINT RESOLUTION  
18 PROPOSING TO AMEND ARTICLE 8, SECTION 1 OF THE CONSTITUTION OF  
19 NEW MEXICO TO AUTHORIZE THE LEGISLATURE TO LIMIT INCREASES IN  
20 VALUATION OF NONRESIDENTIAL PROPERTY FOR PROPERTY TAXATION  
21 PURPOSES."

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