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HOUSE BILL 1279

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

JERRY W. SANDEL

AN ACT

RELATING TO TAXATION; REQUIRING CERTAIN MANUFACTURED HOMES TO BE VALUED AS REAL PROPERTY FOR PROPERTY TAXATION PURPOSES; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

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

Section 1. Section 7-36-26 NMSA 1978 (being Laws 1973, Chapter 258, Section 27, as amended) is amended to read:

"7-36-26. SPECIAL METHOD OF VALUATION--MANUFACTURED HOMES. --

A. The owner of a manufactured home subject to valuation for property taxation purposes shall report the manufactured home annually for valuation to the county assessor of the county in which the manufactured home is located on January 1. The report shall be in a form and contain the information required by department regulation and shall be made

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1 no later than the last day of February of the tax year in which  
2 the property is subject to valuation.

3 B. The valuation method used for determining the  
4 value of manufactured homes for property taxation purposes shall  
5 be a cost method applying generally accepted appraisal  
6 techniques and shall generally provide for:

7 (1) the determination of initial cost of a  
8 manufactured home based upon classifications of manufactured  
9 homes and sales prices for the various classifications;

10 (2) deductions from initial cost for allowable  
11 depreciation, which allowances for depreciation shall be  
12 developed by the ~~[division]~~ department; and

13 (3) deduction from initial cost of other  
14 justifiable factors, including but not limited to functional and  
15 economic obsolescence.

16 C. Whether or not the presence of a manufactured  
17 home is declared and reported by the owner to a county assessor  
18 as required by this section, the county assessor shall determine  
19 the value for property taxation purposes of each manufactured  
20 home located in the county and subject to valuation. County  
21 assessors shall use the information required to be furnished  
22 them under Sections 66-6-10 and 66-7-413 NMSA 1978 to assure  
23 that accurate records of locations of manufactured homes are  
24 maintained.

25 D. Any person who intentionally refuses to make a

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1 report required of him under this section or who knowingly makes  
2 a false statement in a report required under this section is  
3 guilty of a misdemeanor and shall be punished by the imposition  
4 of a fine of not more than one thousand dollars (\$1,000).

5 E. Any person who fails to make a report required of  
6 him under this section is liable for a civil penalty in an  
7 amount equal to five percent of the property taxes ultimately  
8 determined to be due on the property for the tax year or years  
9 for which he failed to make the required report.

10 F. Any person who intentionally refuses to make a  
11 report required of him under this section with the intent to  
12 evade any tax or who fails to make a report required of him  
13 under this section with the intent to evade any tax is liable  
14 for a civil penalty in an amount equal to twenty-five percent of  
15 the property taxes ultimately determined to be due on the  
16 property for the tax year or years for which he refused or  
17 failed to make the required report.

18 G. The civil penalties authorized under Subsections  
19 E and F of this section shall be imposed and collected at the  
20 time and in the manner that the tax is imposed and collected.  
21 In order to assist in the imposition and collection of the  
22 penalties, the assessor having responsibility for determining  
23 the value of the property shall make an entry in the valuation  
24 records indicating the liability for any penalties due under  
25 this section.

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1                    H. The provisions of this section shall not apply to  
2 permanently situated manufactured homes as defined in Section  
3 7-36-26.1 NMSA 1978."

4                    Section 2. A new section of the Property Tax Code, Section  
5 7-36-26.1 NMSA 1978, is enacted to read:

6                    "7-36-26.1. [NEW MATERIAL] PERMANENTLY SITUATED  
7 MANUFACTURED HOMES. --

8                    A. A manufactured home that is permanently situated  
9 on a lot shall be valued as real property. For purposes of this  
10 section, a manufactured home is permanently situated on a lot  
11 if:

- 12                    (1) the wheels, axles and trailer hitches have  
13 been removed;
- 14                    (2) it is permanently affixed to a foundation;
- 15                    and
- 16                    (3) the foundation has footings below frost  
17 level.

18                    B. If the owner of a permanently situated  
19 manufactured home has delivered to the county assessor, no later  
20 than the last day of February, a signed affidavit that the  
21 manufactured home meets the requirements of Subsection A of this  
22 section for a permanently situated manufactured home and that  
23 the owner has surrendered the registration and certificate of  
24 title for the manufactured home to the motor vehicle division of  
25 the taxation and revenue department, the assessor shall value

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1 the manufactured home as real property for that tax year and  
2 subsequent tax years. "

3 Section 3. Section 7-38-8 NMSA 1978 (being Laws 1973,  
4 Chapter 258, Section 48, as amended) is amended to read:

5 "7-38-8. REPORTING OF PROPERTY FOR VALUATION--PENALTIES  
6 FOR FAILURE TO REPORT. --

7 A. All property subject to valuation for property  
8 taxation purposes by the department shall be reported annually  
9 to the department. The report required by this subsection shall  
10 be made by the owner of the property or such other person as may  
11 be authorized by regulations of the department. The report  
12 shall be in a form and contain the information required by  
13 regulations of the department. It shall be made not later than  
14 the last day of February in the tax year in which the property  
15 is subject to valuation. In the case of the failure or refusal  
16 to file the report required under this subsection, the  
17 department shall determine the value of the property subject to  
18 valuation from the best information available.

19 B. Except as provided in Subsection D of this  
20 section, all property subject to valuation for property taxation  
21 purposes by the county assessor shall be reported as follows:

22 (1) property valued in the 1974 tax year by the  
23 county assessor need not be reported for any subsequent tax year  
24 unless required to be reported under Paragraph (3) of this  
25 subsection;

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1                   (2) property not valued in the 1974 tax year by  
2 the county assessor but that becomes subject to valuation by the  
3 county assessor in any subsequent tax year shall be reported to  
4 the county assessor not later than the last day of February of  
5 the tax year in which it becomes subject to valuation, but such  
6 property need not be reported for any year subsequent to the  
7 year in which initially reported unless required to be reported  
8 under Paragraph (3) of this subsection;

9                   (3) property once valued by a county assessor  
10 in a tax year, but which is not valued for a year subsequent to  
11 the year of initial valuation because it is not subject to  
12 valuation for that subsequent year by the county assessor, shall  
13 be reported to the county assessor not later than the last day  
14 of February in a tax year in which it again becomes subject to  
15 valuation by the county assessor; and

16                   (4) reports required under Paragraphs (2) and  
17 (3) of this subsection shall be in a form and contain the  
18 information required by regulations of the department.

19                   C. Not later than the last day of February of each  
20 tax year, every owner of real property who made, or caused to be  
21 made, in the preceding calendar year improvements costing more  
22 than ten thousand dollars (\$10,000) to that real property shall  
23 report to the county assessor the property improved, the  
24 improvements made, the cost of the improvements and such other  
25 information as the department may require.

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1           D. Manufactured homes, except permanently situated  
2 manufactured homes as defined in Section 7-36-26.1 NMSA 1978,  
3 livestock and land used for agricultural purposes shall be  
4 reported for valuation for property taxation purposes to the  
5 county assessor at the times and in the manner prescribed under  
6 Sections 7-36-26, 7-36-21 and 7-36-20 NMSA 1978 and regulations  
7 promulgated by the department.

8           E. Property subject to valuation by the county  
9 assessor for property taxation purposes and improvements to such  
10 property that are required to be reported under Subsection C of  
11 this section shall be reported to the county assessor of the  
12 county in which the property is required to be valued under  
13 Section 7-36-14 NMSA 1978. Reports shall be made either by the  
14 owner of the property, the owner's authorized agent or any  
15 person having control or management of the property and shall be  
16 in a form and contain the information required by regulations of  
17 the department.

18           F. Reports required by this section shall be made by  
19 the declarant under oath, and the director, employees of the  
20 department, the assessor and his employees are empowered to  
21 administer oaths for this purpose.

22           G. Any person who intentionally refuses to make a  
23 report required of him under the provisions of Subsection A, B  
24 or C of this section or who knowingly makes a false statement in  
25 a report required under the provisions of Subsection A, B or C

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1 of this section is guilty of a misdemeanor and upon conviction  
2 shall be punished by the imposition of a fine of not more than  
3 one thousand dollars (\$1,000).

4 H. Any person who fails to make a report required of  
5 him under the provisions of Subsection A or B of this section is  
6 liable for a civil penalty in an amount equal to five percent of  
7 the property taxes ultimately determined to be due on the  
8 property for the tax year or years for which he failed to make  
9 the required report.

10 I. Any person who intentionally refuses to make a  
11 report required of him under the provisions of Subsection A or B  
12 of this section with the intent to evade any tax or who fails to  
13 make a report required of him under the provisions of Subsection  
14 A or B of this section with the intent to evade any tax is  
15 liable for a civil penalty in an amount equal to twenty-five  
16 percent of the property taxes ultimately determined to be due on  
17 the property for the tax year or years for which he refused or  
18 failed to make the required report.

19 J. Any person who is required to make a report under  
20 the provisions of Subsection C of this section and who fails to  
21 do so is personally liable for a civil penalty in an amount  
22 equal to the greater of twenty-five dollars (\$25.00) or twenty-  
23 five percent of the difference between the property taxes  
24 ultimately determined to be due and the property taxes  
25 originally paid for the tax year or years for which the person



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1 failed to make the required report. This penalty shall not be  
2 considered a delinquent property tax, and the provisions of the  
3 Property Tax Code for the enforcement and collection of  
4 delinquent property taxes through the sale of the property do  
5 not apply. However, the county treasurer may use all other  
6 methods provided by law to collect the property tax or penalty  
7 due. Notwithstanding any other provision of the Property Tax  
8 Code, amounts collected pursuant to the penalty provided by this  
9 subsection shall be distributed among jurisdictions imposing tax  
10 on the property in the same proportion as the amount of tax,  
11 ultimately determined to be due for the jurisdiction bears to  
12 the total due for all such jurisdictions.

13 K. The civil penalties authorized under Subsections  
14 H and I of this section shall be imposed and collected at the  
15 time and in the manner that the tax is imposed and collected.  
16 In order to assist in the imposition and collection of the  
17 penalties, the persons having responsibility for determining the  
18 value of the property shall make an entry in the valuation  
19 records indicating the liability for any penalties due under  
20 this section.

21 L. For the purposes of this section:

22 (1) "improvements" means the construction of  
23 any new structure permanently affixed to the land or the repair,  
24 rehabilitation or alteration of an existing structure  
25 permanently affixed to the land that, for property used for any

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1 commercial purpose, is required or allowed to be capitalized  
2 under the Internal Revenue Code and, for other properties, any  
3 similar construction, repair, rehabilitation or alteration; and

4 (2) "owner of real property" includes every  
5 owner of improvements who does not own the land upon which the  
6 improvements are made."

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**State of New Mexico**  
**House of Representatives**

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**FORTY-THIRD LEGISLATURE**  
**FIRST SESSION, 1997**

**March 3, 1997**

**Mr. Speaker:**

Your **TAXATION AND REVENUE COMMITTEE**, to whom has  
been referred

**HOUSE BILL 1279**

has had it under consideration and reports same with  
recommendation that it **DO PASS**, amended as follows:

1. On page 4, line 8, strike "A **manufactured home** that is  
permanently situated on a lot" and insert in lieu thereof "A  
permanently situated **manufactured home**".

2. On page 4, line 10, strike "**manufactured home**" and insert  
in lieu thereof "'permanently situated **manufactured home**" means a  
**manufactured home** that".

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HTRC/HB 1279

Page 12

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3. On page 4, line 11, strike "if" and insert in lieu thereof "and which meets the following criteria".

4. On page 4, line 17, before the period insert "for the locality in which it is permanently situated as required by municipal and county regulations or ordinances".

5. On page 4, line 23, strike "registration and".

6. On page 4, line 24, after "title" insert "or manufacturer's statement of origin".,

and thence referred to the APPROPRIATIONS AND FINANCE COMMITTEE.

Respectfully submitted,

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Jerry W. Sandel, Chairman

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

HTRC/HB 1279

Page 13

- 1
- 2
- 3
- 4
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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

(Chief Clerk)

(Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 11 For 0 Against

Yes: 11

Excused: Lujan, Porter

Absent: None

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