

HOUSE BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO TAXATION; PROVIDING THAT CERTAIN TAX CREDITS SHALL NOT BE TAKEN INTO ACCOUNT WHEN DETERMINING THE MARKET VALUE OF PROPERTY FOR PROPERTY TAXATION PURPOSES.

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

SECTION 1. Section 7-36-15 NMSA 1978 (being Laws 1975, Chapter 165, Section 2, as amended) is amended to read:

"7-36-15. METHODS OF VALUATION FOR PROPERTY TAXATION PURPOSES--GENERAL PROVISIONS.--

A. Property subject to valuation for property taxation purposes under this article of the Property Tax Code shall be valued by the methods required by this article of the Property Tax Code whether the determination of value is made by the department or the county assessor. The same or similar methods of valuation shall be used for valuation of the same or

.182525.1

1 similar kinds of property for property taxation purposes.

2 B. Unless a method or methods of valuation are
3 authorized in Sections 7-36-20 through 7-36-33 NMSA 1978, the
4 value of property for property taxation purposes shall be its
5 market value as determined by application of the sales of
6 comparable property, income or cost methods of valuation or any
7 combination of these methods. In using any of the methods of
8 valuation authorized by this subsection, the valuation
9 authority:

10 (1) shall apply generally accepted appraisal
11 techniques; ~~[and]~~

12 (2) in determining the market value of
13 residential housing, shall consider any decrease in the value
14 that would be realized by the owner in a sale of the property
15 because of the effects of any affordable housing subsidy,
16 covenant or encumbrance imposed pursuant to a federal, state or
17 local affordable housing program that restricts the future use
18 of the property or the resale price of the property or would
19 otherwise prohibit the owner from fully ~~[benefitting]~~
20 benefiting from any enhanced value of the property. As used in
21 this paragraph:

22 (a) "subsidy, covenant or encumbrance
23 imposed pursuant to a federal, state or local affordable
24 housing program" includes those imposed by a nonprofit entity
25 approved by a governmental entity as a qualifying grantee

.182525.1

1 pursuant to the Affordable Housing Act; and

2 (b) "residential housing" means any
3 building, structure or portion thereof that is primarily
4 occupied, or designed or intended primarily for occupancy, as a
5 residence by one or more households and any real property that
6 is offered for sale or lease for the construction or location
7 thereon of such a building, structure or portion thereof.

8 "Residential housing" includes congregate housing, manufactured
9 homes, housing intended to provide or providing transitional or
10 temporary housing for homeless persons and common health care,
11 kitchen, dining, recreational and other facilities primarily
12 for use by residents of a residential housing project; and

13 (3) shall not consider the value of federal
14 income tax credits awarded under Section 42 of the Internal
15 Revenue Code, as that section may be amended or renumbered, in
16 determining the value of low-income housing property.

17 C. Dams, reservoirs, tanks, canals, irrigation
18 wells, installed irrigation pumps, stock-watering wells and
19 pumps, similar structures and equipment used for irrigation or
20 stock-watering purposes, water rights and private roads shall
21 not be valued separately from the land they serve. The
22 foregoing improvements and rights shall be considered as
23 appurtenances to the land they serve, and their value shall be
24 included in the determination of value of the land.

25 D. The department shall adopt regulations to

1 implement the methods of valuation authorized in this article
2 of the Property Tax Code."

3 SECTION 2. APPLICABILITY.--The provisions of this act
4 apply to the 2010 and subsequent property tax years.

5 - 4 -
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25