

AN ACT

H
B

2
9
9
P
a
g
e

1

RELATING TO TAXATION; REQUIRING DISCLOSURE OF SALES PRICE
INFORMATION FOR PROPERTY CLASSIFIED AS RESIDENTIAL PROPERTY FOR
PROPERTY TAXATION PURPOSES; REQUIRING PROPERTY TRANSFER AFFIDAVIT
TO BE FILED WITH THE COUNTY ASSESSOR; REQUIRING INFORMATION TO BE
KEPT CONFIDENTIAL.

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

Section 1. Section 7-36-21.2 NMSA 1978 (being Laws 2000, Chapter 10,
Section 2, as amended) is amended to read:

"7-36-21.2. LIMITATION ON INCREASES IN VALUATION OF RESIDENTIAL
PROPERTY.--

A. Residential property shall be valued at its current and correct value
in accordance with the provisions of the Property Tax Code; provided that for the 2001
and subsequent tax years, the value of a property in any tax year shall not exceed the
higher of one hundred three percent of the value in the tax year prior to the tax year in
which the property is being valued or one hundred six and one-tenth percent of the
value in the tax year two years prior to the tax year in which the property is being
valued. This limitation on increases in value does not apply to:

- (1) a residential property in the first tax year that it is valued for
property taxation purposes;
- (2) any physical improvements made to the property during the
year immediately prior to the tax year or omitted in a prior tax year; or
- (3) valuation of a residential property in any tax year in which:

(a) a change of ownership of the property occurred in the year immediately prior to the tax year for which the value of the property for property taxation purposes is being determined; or

(b) the use or zoning of the property has changed in the year prior to the tax year.

B. If a change of ownership of residential property occurred in the year immediately prior to the tax year for which the value of the property for property taxation purposes is being determined, the value of the property shall be its current and correct value as determined pursuant to the general valuation provisions of the Property Tax Code.

C. To assure that the values of residential property for property taxation purposes are at current and correct values in all counties prior to application of the limitation in Subsection A of this section, the department shall determine for the 2000 tax year the sales ratio pursuant to Section 7-36-18 NMSA 1978 or, if a sales ratio cannot be determined pursuant to that section, conduct a sales-ratio analysis using both independent appraisals by the department and sales. If the sales ratio for a county for the 2000 tax year is less than eighty-five, as measured by the median ratio of value for property taxation purposes to sales price or independent appraisal by the department, the county shall not be subject to the limitations of Subsection A of this section and shall conduct a reassessment of residential property in the county so that by the 2003 tax year, the sales ratio is at least eighty-five. After such reassessment, the limitation on increases in valuation in this section shall apply in those counties in the earlier of the 2004 tax year or the first tax year following the tax year that the county has a sales ratio of eighty-five or higher, as measured by the median ratio of

H
B

2
9
9
P
a
g
e

2

value for property taxation purposes to sales value or independent appraisal by the department. Thereafter, the limitation on increases in valuation of residential property for property taxation purposes in this section shall apply to subsequent tax years in all counties.

H
B
2
9
9
P
a
g
e

D. The provisions of this section do not apply to residential property for any tax year in which the property is subject to the valuation limitation in Section 7-36-21.3 NMSA 1978.

3

E. As used in this section, "change of ownership" means a transfer to a transferee by a transferor of all or any part of the transferor's legal or equitable ownership interest in residential property except for a transfer:

(1) to a trustee for the beneficial use of the spouse of the transferor or the surviving spouse of a deceased transferor;

(2) to the spouse of the transferor that takes effect upon the death of the transferor;

(3) that creates, transfers or terminates, solely between spouses, any co-owner's interest;

(4) to a child of the transferor, who occupies the property as his principal residence at the time of transfer; provided that the first subsequent tax year in which that person does not qualify for the head of household exemption on that property, a change of ownership shall be deemed to have occurred;

(5) that confirms or corrects a previous transfer made by a document that was recorded in the real estate records of the county in which the real property is located;

(6) for the purpose of quieting the title to real property or

resolving a disputed location of a real property boundary;

(7) to a revocable trust by the transferor with the transferor, the transferor's spouse or a child of the transferor as beneficiary; or

(8) from a revocable trust described in Paragraph (7) of this subsection back to the settlor or trustor or to the beneficiaries of the trust."

Section 2. A new Section 7-38-12.1 NMSA 1978 is enacted to read:

"7-38-12.1. PROPERTY TRANSFERS--AFFIDAVIT TO BE FILED WITH ASSESSOR.--

A. After January 1, 2004, a person presenting a deed, real estate contract or memorandum of real estate contract for recording with a county clerk shall also file with the county assessor within thirty days of the date of filing with the county clerk an affidavit signed and completed in accordance with the provisions of Subsection B of this section.

B. The affidavit required for submission shall be in a form developed by the property tax division and signed by the transferors or their authorized agents or the transferees or their authorized agents of any interest in real property transferred by deed or real estate contract. The affidavit shall contain at least the following information to be used only for analytical and statistical purposes in the application of appraisal methods:

- (1) the complete names of all transferors and transferees;
- (2) the current mailing addresses of all transferors and transferees;
- (3) the legal description of the real property interest transferred as it appears in the document of transfer;

H
B
2
9
9
P
a
g
e
4

(4) the full consideration, including money or any other thing of value, paid or exchanged for the transfer; and

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

C. Upon receipt of the affidavit required by Subsection A of this section, the county assessor shall place the date of receipt on the original affidavit. The county assessor shall retain the original affidavit as a permanent, confidential record and as proof of compliance. The assessor shall index the affidavits in a manner that permits cross-referencing to other records in the assessor's office pertaining to the specific property described in the affidavit. The affidavit and its contents are not part of the valuation record of the assessor.

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

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

(2) a lease of or easement on real property, regardless of the length of term;

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

(4) a quitclaim deed to quiet title or clear boundary disputes;

(5) a conveyance of real property executed pursuant to court

H
B
2
9
9
P
a
g
e
5

order;

(6) a deed to an unpatented mining claim;

debt or obligation;

(7) an instrument solely to provide or release security for a

recorded;

(8) an instrument that confirms or corrects a deed previously

child with only nominal actual consideration therefor;

(10) an instrument arising out of a sale for delinquent taxes or

assessments;

(11) an instrument accomplishing a court-ordered partition;

(12) an instrument arising out of a merger or incorporation;

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

(14) an instrument from a person to a trustee or from a trustee to a trust beneficiary with only nominal actual consideration therefor;

(15) an instrument to or from an intermediary for the purpose of creating a joint tenancy estate or some other form of ownership; or

(16) an instrument delivered to establish a gift or a distribution from an estate of a decedent or trust.

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

F. Prior to November 1, 2003, the department shall print and distribute

to each county assessor affidavit forms for distribution to the public upon request."

H
B

Section 3. A new Section 7-38-12.2 NMSA 1978 is enacted to read:

2
9

"7-38-12.2. PENALTIES.--

9
P

A. A person who intentionally refuses to make a required report within the time period specified under the provisions of Section 7-38-12.1 NMSA 1978 or who knowingly makes a false statement on an affidavit required under the provisions of Section 7-38-12.1 NMSA 1978 is guilty of a misdemeanor and upon conviction shall be punished by the imposition of a fine of not more than one thousand dollars (\$1,000).

a
g
e
7

B. The secretary, any employee or any former employee of the department or any other person subject to the provisions of Section 7-38-12.1 NMSA 1978 who willfully releases information in violation of that section, except as provided in Section 7-38-4 NMSA 1978 or as part of a protest proceeding as defined in Section 7-38-24 NMSA 1978, is guilty of a misdemeanor and shall be fined not more than one thousand dollars (\$1,000)."

Section 4. APPLICABILITY.--The provisions of this act apply to the 2004 and subsequent property tax years.