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HOUSE BILL 73

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Miguel P. Garcia

AN ACT

**RELATING TO PROPERTY TAXATION; APPLYING A LIMITATION ON
INCREASES IN VALUE FOR PROPERTY TAXATION PURPOSES TO SINGLE-
FAMILY DWELLINGS OCCUPIED BY LOW-INCOME DISABLED PERSONS;
AMENDING A SECTION OF THE PROPERTY TAX CODE.**

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

**Section 1. Section 7-36-21.3 NMSA 1978 (being Laws 2000,
Chapter 21, Section 1, as amended) is amended to read:**

**"7-36-21.3. LIMITATION ON INCREASE IN VALUE FOR SINGLE-
FAMILY DWELLINGS OCCUPIED BY [~~OWNER~~] LOW-INCOME OWNERS SIXTY-
FIVE YEARS OF AGE OR OLDER OR DISABLED. --**

**A. For the 2001 and subsequent tax years the
valuation for property taxation purposes of a single-family
dwelling owned and occupied by a person who is sixty-five years**

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underscored material = new
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1 of age or older and whose modified gross income, as defined in
2 the Income Tax Act, for the prior taxable year did not exceed
3 the greater of eighteen thousand dollars (\$18,000) or the
4 amount calculated pursuant to Subsection C of this section
5 shall not be greater than the valuation of the property for
6 property taxation purposes in the:

7 (1) 2001 tax year;

8 (2) year in which the owner has his sixty-
9 fifth birthday, if that is after 2001; or

10 (3) tax year following the tax year in which
11 an owner who turns sixty-five or is sixty-five years of age or
12 older first owns and occupies the property, if that is after
13 2001.

14 B. For the 2003 and subsequent tax years, the
15 valuation for property taxation purposes of a single-family
16 dwelling owned and occupied by a person who is disabled and
17 whose modified gross income, as defined in the Income Tax Act,
18 for the prior taxable year did not exceed the greater of
19 eighteen thousand dollars (\$18,000) or the amount calculated
20 pursuant to Subsection C of this section shall not be greater
21 than the valuation of the property for property taxation
22 purposes in the:

23 (1) 2003 tax year;

24 (2) year in which the owner is determined to
25 be disabled, if that is after 2003; or

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[bracketed material] = deleted

1 (3) tax year following the tax year in which
2 an owner who is disabled or who is determined in that year to
3 be disabled first owns and occupies the property, if that is
4 after 2003.

5 ~~[B.]~~ C. The limitation of value specified in
6 ~~[Subsection A]~~ Subsections A and B of this section shall be
7 applied in a tax year in which the owner claiming entitlement
8 files with the county assessor an application for the
9 limitation on a form furnished to him by the assessor. The
10 application form shall be designed by the department and shall
11 provide for proof of age or disability, occupancy and income
12 eligibility for the tax year for which application is made.

13 ~~[C.]~~ D. For the 2002 tax year and each subsequent
14 tax year the ~~maximum amount of modified gross income in~~
15 ~~[Subsection A]~~ Subsections A and B of this section shall be
16 adjusted to account for inflation. The department shall make
17 the adjustment by multiplying the ~~maximum amount~~ for tax year
18 2000 by a fraction, the numerator of which is the consumer
19 price index ending during the prior tax year and the
20 denominator of which is the consumer price index ending in tax
21 year 2000. The result of the multiplication shall be rounded
22 down to the nearest one hundred dollars (\$100) except that if
23 the result would be an amount less than the corresponding
24 amount for the preceding tax year, then no adjustment shall be
25 made. For purposes of this subsection, "consumer price index"

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1 means the consumer price index for all urban consumers
2 published by the United States department of labor for the
3 month ending September 30. The department shall publish
4 annually the amount determined by the calculation and
5 distribute it to each county assessor no later than December 1
6 of each tax year.

7 ~~[D.]~~ E. The limitation of value specified in
8 ~~[Subsection A]~~ Subsections A and B of this section does not
9 apply to:

10 (1) a change in valuation resulting from any
11 physical improvements made to the property during the year
12 immediately prior to the tax year or a change in the permitted
13 use or zoning of the property during the year immediately prior
14 to the tax year; or

15 (2) a residential property in the first tax
16 year that is valued for property taxation purposes.

17 F. As used in this section, "disabled" means a
18 person who has been determined to be blind or permanently
19 disabled with medical improvement not expected."

20 Section 2. APPLICABILITY. -- The provisions of this act
21 apply to property tax year 2003 and subsequent property tax
22 years.