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HOUSE BILL 295

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Elias Barela

AN ACT

RELATING TO TAXATION; AMENDING THE PROPERTY TAX CODE TO CHANGE THE INCOME LIMIT FOR ELIGIBILITY FOR THE LIMITATION ON INCREASE IN VALUE FOR DWELLINGS OCCUPIED BY A PERSON SIXTY-FIVE YEARS OF AGE OR OLDER.

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 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 of age or older and whose modified gross income, as defined in

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1 the Income Tax Act, for the prior taxable year did not exceed
2 the greater of eighteen thousand dollars (\$18,000) or the
3 amount calculated pursuant to Subsection [G] F of this section
4 shall not be greater than the valuation of the property for
5 property taxation purposes in the:

6 (1) 2001 tax year;

7 (2) year in which the ~~[owner has his]~~ owner's
8 sixty-fifth birthday occurs, if that is after 2001; or

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

13 B. For the 2008 and subsequent tax years, the
14 valuation for property taxation purposes of a single-family
15 dwelling owned and occupied by a person who is sixty-five years
16 of age or older and whose modified gross income, as defined in
17 the Income Tax Act, for the prior taxable year did not exceed
18 two hundred percent of the federal poverty guidelines shall not
19 be greater than the valuation of the property for property
20 taxation purposes in:

21 (1) the 2008 tax year, if the person owns and
22 occupies the property in the 2008 tax year;

23 (2) the tax year in which the owner's sixty-
24 fifth birthday occurs, if that is after 2008; or

25 (3) the tax year following the tax year in

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underscored material = new
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1 which an owner who is sixty-five years of age or older first
2 owns and occupies the property, if that is after 2008.

3 ~~[B.]~~ C. For the 2003 and subsequent tax years, the
4 valuation for property taxation purposes of a single-family
5 dwelling owned and occupied by a person who is disabled and
6 whose modified gross income, as defined in the Income Tax Act,
7 for the prior taxable year did not exceed the greater of
8 eighteen thousand dollars (\$18,000) or the amount calculated
9 pursuant to Subsection ~~[G.]~~ F of this section shall not be
10 greater than the valuation of the property for property
11 taxation purposes in the:

12 (1) 2003 tax year;

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

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

19 D. An owner who is entitled to a limitation in
20 valuation pursuant to more than one subsection of this section
21 may designate the subsection pursuant to which the limitation
22 shall be applied.

23 ~~[G.]~~ E. The limitation of value specified in
24 Subsections A, ~~[and]~~ B and C of this section shall be applied
25 in a tax year in which the owner claiming entitlement files

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1 with the county assessor an application for the limitation on a
2 form furnished to ~~him~~ the owner by the assessor. The
3 application form shall be designed by the department and shall
4 provide for proof of age or disability, occupancy and income
5 eligibility for the tax year for which application is made.

6 ~~[D.]~~ F. For the 2002 tax year and each subsequent
7 tax year, the maximum amount of modified gross income in
8 Subsections A and ~~[B]~~ C of this section shall be adjusted to
9 account for inflation. The department shall make the
10 adjustment by multiplying the maximum amount for tax year 2000
11 by a fraction, the numerator of which is the consumer price
12 index ending during the prior tax year and the denominator of
13 which is the consumer price index ending in tax year 2000. The
14 result of the multiplication shall be rounded down to the
15 nearest one hundred dollars (\$100) except that if the result
16 would be an amount less than the corresponding amount for the
17 preceding tax year, then no adjustment shall be made. For
18 purposes of this subsection, "consumer price index" means the
19 consumer price index for all urban consumers published by the
20 United States department of labor for the month ending
21 September 30. The department shall publish annually the amount
22 determined by the calculation and distribute it to each county
23 assessor no later than December 1 of each tax year.

24 ~~[E.]~~ G. The limitation of value specified in
25 Subsections A, ~~[and]~~ B and C of this section does not apply to:

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underscored material = new
[bracketed material] = delete

1 (1) a change in valuation resulting from any
2 physical improvements made to the property during the year
3 immediately prior to the tax year or a change in the permitted
4 use or zoning of the property during the year immediately prior
5 to the tax year; or

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

8 [~~F.~~] H. As used in this section:

9 (1) "disabled" means a person who has
10 been determined to be blind or permanently disabled with
11 medical improvement not expected pursuant to 42 USCA 421 for
12 purposes of the federal Social Security Act or is determined to
13 have a permanent total disability pursuant to the Workers'
14 Compensation Act; and

15 (2) "federal poverty guidelines" means
16 the level of income defining poverty by family size published
17 annually in the federal register by the United States
18 department of health and human services."