

HOUSE HEALTH AND GOVERNMENT AFFAIRS COMMITTEE SUBSTITUTE FOR
HOUSE BILL 388

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

AN ACT

RELATING TO REAL PROPERTY; REQUIRING DISCLOSURE OF CERTAIN
INFORMATION CONCERNING PROPERTY TAXES.

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

Section 1. HOME LOANS--DISCLOSURE OF INFORMATION
CONCERNING PROPERTY TAXES.--

A. At least three days prior to the closing of any
home loan and again at the time of closing, the title insurer
who issued the title insurance policy on the real estate
subject to the closing, or a title insurance agent acting on
the title insurer's behalf, shall disclose to the borrower
that:

(1) under New Mexico law, the rate of the
annual increase in the assessed value of the real estate
subject to the home loan has, in the past, most likely been

.172794.1

underscored material = new
[bracketed material] = delete

1 limited to three percent;

2 (2) the limit on the annual increase in the
3 assessed value will not apply during the first tax year
4 following the change of ownership; and

5 (3) therefore, the assessed value of the real
6 estate and the resulting property tax to be paid by the
7 borrower may be substantially higher than previous property
8 taxes paid on the real estate.

9 B. The superintendent of insurance shall promulgate
10 such rules as are necessary to implement the provisions of
11 Subsection A of this section, including rules ensuring that:

12 (1) the disclosure is in clear, conspicuous
13 writing that the borrower is likely to notice; and

14 (2) the standards for the disclosure will be
15 applied statewide in a uniform manner.

16 Section 2. EFFECTIVE DATE.--The effective date of the
17 provisions of this act is July 1, 2008.