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AN ACT

RELATING TO TAXATION; AMENDING THE PROPERTY TAX CODE TO RAISE  
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 the Income Tax Act, for the prior taxable year did  
not exceed the greater of eighteen thousand dollars (\$18,000)  
or the amount calculated pursuant to Subsection G of this  
section shall not be greater than the valuation of the  
property for property taxation purposes in the:

- (1) 2001 tax year;
- (2) year in which the owner's sixty-fifth  
birthday occurs, if that is after 2001; or
- (3) tax year following the tax year in which

1 an owner who turns sixty-five or is sixty-five years of age  
2 or older first owns and occupies the property, if that is  
3 after 2001.

4 B. For the 2009 and subsequent tax years, the  
5 valuation for property taxation purposes of a single-family  
6 dwelling owned and occupied by a person who is sixty-five  
7 years of age or older and whose modified gross income, as  
8 defined in the Income Tax Act, for the prior taxable year did  
9 not exceed two hundred thirty-five percent of the federal  
10 poverty guidelines shall not be greater than the valuation of  
11 the property for property taxation purposes in:

12 (1) the 2009 tax year, if the person owns  
13 and occupies the property in the 2009 tax year;

14 (2) the tax year in which the owner's  
15 sixty-fifth birthday occurs, if that is after 2009; or

16 (3) the tax year following the tax year in  
17 which an owner who is sixty-five years of age or older first  
18 owns and occupies the property, if that is after 2009.

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

1 than the valuation of the property for property taxation  
2 purposes in the:

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

10 D. For the 2009 and subsequent tax years, the  
11 valuation for property taxation purposes of a single-family  
12 dwelling owned and occupied by a person who is disabled and  
13 whose modified gross income, as defined in the Income Tax  
14 Act, for the prior taxable year did not exceed two hundred  
15 thirty-five percent of the federal poverty guidelines shall  
16 not be greater than the valuation of the property for  
17 property taxation purposes in:

- 18 (1) the 2009 tax year, if the person owns  
19 and occupies the property in the 2009 tax year;
- 20 (2) the tax year in which the owner is  
21 determined to be disabled, if that is after 2009; or
- 22 (3) the tax year following the tax year in  
23 which an owner who is disabled first owns and occupies the  
24 property, if that is after 2009.

25 E. An owner who is entitled to a limitation in

1 valuation pursuant to more than one subsection of this  
2 section may designate the subsection pursuant to which the  
3 limitation shall be applied.

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

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

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

6 H. The limitation of value specified in  
7 Subsections A, B, C and D of this section does not apply to:

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

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

15 I. As used in this section:

16 (1) "disabled" means a person who has been  
17 determined to be blind or permanently disabled with medical  
18 improvement not expected pursuant to 42 USCA 421 for purposes  
19 of the federal Social Security Act or is determined to have a  
20 permanent total disability pursuant to the Workers'  
21 Compensation Act; and

22 (2) "federal poverty guidelines" means the  
23 level of income defining poverty by family size published  
24 annually in the federal register by the United States  
25 department of health and human services."