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HOUSE BILL 257

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Don L. Tripp

AN ACT

RELATING TO THE TAXATION OF REAL PROPERTY; PROVIDING FOR THE METHOD OF VALUATION OF RESIDENTIAL COMMON AREAS; AMENDING SECTION 7-36-15 NMSA 1978 (BEING LAWS 1975, CHAPTER 165, SECTION 2, AS AMENDED).

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

Section 1. Section 7-36-15 NMSA 1978 (being Laws 1975, Chapter 165, Section 2, as amended) is amended to read:

"7-36-15. METHODS OF VALUATION FOR PROPERTY TAXATION PURPOSES--GENERAL PROVISIONS.--

A. Property subject to valuation for property taxation purposes under this article of the Property Tax Code shall be valued by the methods required by this article of the Property Tax Code whether the determination of value is made by the department or the county assessor. The same or similar

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1 methods of valuation shall be used for valuation of the same or
2 similar kinds of property for property taxation purposes.

3 B. Unless a method or methods of valuation are
4 authorized in Sections 7-36-20 through 7-36-33 NMSA 1978, the
5 value of property for property taxation purposes shall be its
6 market value as determined by application of the sales of
7 comparable property, income or cost methods of valuation or any
8 combination of these methods. In using any of the methods of
9 valuation authorized by this subsection, the valuation
10 authority:

11 (1) shall apply generally accepted appraisal
12 techniques; and

13 (2) in determining the market value of
14 residential housing, shall consider any decrease in the value
15 that would be realized by the owner in a sale of the property
16 because of the effects of any affordable housing subsidy,
17 covenant or encumbrance imposed pursuant to a federal, state or
18 local affordable housing program that restricts the future use
19 of the property or the resale price of the property or would
20 otherwise prohibit the owner from fully benefitting from any
21 enhanced value of the property. As used in this paragraph:

22 (a) "subsidy, covenant or encumbrance
23 imposed pursuant to a federal, state or local affordable
24 housing program" includes those imposed by a nonprofit entity
25 approved by a governmental entity as a qualifying grantee

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1 pursuant to the Affordable Housing Act; and

2 (b) "residential housing" means any
3 building, structure or portion thereof that is primarily
4 occupied, or designed or intended primarily for occupancy, as a
5 residence by one or more households and any real property that
6 is offered for sale or lease for the construction or location
7 thereon of such a building, structure or portion thereof.

8 "Residential housing" includes congregate housing, manufactured
9 homes, housing intended to provide or providing transitional or
10 temporary housing for homeless persons and common health care,
11 kitchen, dining, recreational and other facilities primarily
12 for use by residents of a residential housing project.

13 C. Dams, reservoirs, tanks, canals, irrigation
14 wells, installed irrigation pumps, stock-watering wells and
15 pumps, similar structures and equipment used for irrigation or
16 stock-watering purposes, water rights and private roads shall
17 not be valued separately from the land they serve. The
18 foregoing improvements and rights shall be considered as
19 appurtenances to the land they serve, and their value shall be
20 included in the determination of value of the land.

21 D. A common area of a planned unit development or
22 subdivision for the exclusive use of a lot owner, resident or
23 invited guest of a lot owner or resident of the planned unit
24 development or subdivision shall not be valued separately from
25 each lot. The value of a common area shall be included in the

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1 determination of value of each lot served by the common area.

2 If the common area is converted to a different use, the
3 property shall be valued pursuant to Subsection A of this
4 section. As used in this subsection, "common area" means
5 improved or unimproved real property that is:

6 (1) deeded as an undivided interest in each of
7 the lots of the planned unit development or subdivision served
8 by the common area; or

9 (2) owned by a nonprofit homeowners'
10 association, community association or corporation that is
11 operated to provide management of a common area with rights to
12 use that common area appurtenant to and passing with the title
13 to each lot of the planned unit development or subdivision
14 served by the common area.

15 ~~[D.]~~ E. The department shall adopt regulations to
16 implement the methods of valuation authorized in this article
17 of the Property Tax Code."