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HOUSE BILL 511

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Edward C. Sandoval

AN ACT

RELATING TO TAXATION; AMENDING THE PROPERTY TAX CODE TO CHANGE THE PROCESS FOR DETERMINING THE TAXABLE VALUE OF OWNER-OCCUPIED RESIDENTIAL PROPERTY; CONVERTING THE LIMITATIONS ON ANNUAL INCREASES IN VALUATION OF RESIDENTIAL PROPERTY TO VALUATION ADJUSTMENTS FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY; REQUIRING THAT THE TAXABLE VALUE OF OWNER-OCCUPIED RESIDENTIAL PROPERTY BE AT LEAST EIGHTY-FIVE PERCENT OF ITS MARKET VALUE FOR TAX YEAR 2012; PROVIDING FOR PROTESTS AND CORRECTIONS REGARDING VALUATION ADJUSTMENTS; RECONCILING CONFLICTING AMENDMENTS TO THE SAME SECTION OF LAW BY REPEALING LAWS 1983, CHAPTER 203, SECTION 1; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

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

SECTION 1. Section 7-35-2 NMSA 1978 (being Laws 1973,

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1 Chapter 258, Section 2, as amended by Laws 1994, Chapter 9,
2 Section 1 and by Laws 1994, Chapter 9, Section 2) is amended to
3 read:

4 "7-35-2. DEFINITIONS.--As used in the Property Tax Code:

5 A. "cost" means the expenses incurred by the
6 department in connection with collecting delinquent taxes. As
7 applied to a particular property, "cost" may be, in the
8 discretion of the department, either the sum of the expenses
9 incurred specifically in connection with that property or the
10 uniform charge applied to the class of delinquent properties of
11 which the property is a member;

12 [~~A-~~] B. "department" or "division" means the
13 taxation and revenue department, the secretary of taxation and
14 revenue or any employee of the department exercising authority
15 lawfully delegated to that employee by the secretary;

16 [~~B-~~] C. "director" means the secretary;

17 [~~G-~~] D. "livestock" means cattle, buffalo, horses,
18 mules, sheep, goats, swine, ratites and other domestic animals
19 useful to man;

20 [~~D-~~] E. "manufactured home" means a manufactured
21 home as that term is defined in Section 66-1-4.11 NMSA 1978;

22 [~~E-~~] F. "net taxable value" means the value of
23 property upon which the tax is imposed and is determined by
24 deducting from taxable value the amount of any exemption
25 authorized by the Property Tax Code;

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1 ~~[F.]~~ G. "nonresidential property" means property
2 that is not residential property;

3 ~~[G.]~~ H. "owner" means the person in whom is vested
4 any title to property;

5 ~~[H.]~~ I. "person" means an individual or any other
6 legal entity;

7 ~~[I.]~~ J. "property" means tangible property, real or
8 personal;

9 K. "ratio value" means the value of owner-occupied
10 residential property determined by applying the tax ratio to
11 the property's value for property taxation purposes;

12 ~~[J.]~~ L. "residential property" means property
13 consisting of one or more dwellings together with appurtenant
14 structures, the land underlying both the dwellings and the
15 appurtenant structures and a quantity of land reasonably
16 necessary for parking and other uses that facilitate the use of
17 the dwellings and appurtenant structures. As used in this
18 subsection, "dwellings" includes both manufactured homes and
19 other structures when used primarily for permanent human
20 habitation, but the term does not include structures when used
21 primarily for temporary or transient human habitation such as
22 hotels, motels and similar structures;

23 ~~[K.]~~ M. "secretary" means the secretary of taxation
24 and revenue and, except for purposes of Section 7-35-6 NMSA
25 1978 ~~[and Paragraphs (1) and (2) of Subsection B of Section~~
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1 ~~7-38-90 NMSA 1978~~], also includes the deputy secretary or a
2 division director or deputy division director delegated by the
3 secretary;

4 ~~[E.]~~ N. "tax" means the property tax imposed under
5 the Property Tax Code;

6 ~~[M.]~~ O. "taxable value" means, for owner-occupied
7 residential property, the value of the property determined by
8 subtracting the property's valuation adjustment from the
9 property's ratio value and, for all other properties, means the
10 value of property determined by applying the tax ratio to the
11 property's value [~~of the property determined~~] for property
12 taxation purposes;

13 ~~[N.]~~ P. "tax rate" means the rate of the tax
14 expressed in terms of dollars per thousand dollars of net
15 taxable value of property;

16 ~~[O.]~~ Q. "tax ratio" means the percentage
17 established under the Property Tax Code that is applied to the
18 [~~value of property determined~~] property's value for property
19 taxation purposes in order to derive [~~taxable~~] the ratio value
20 for owner-occupied residential property and the taxable value
21 for all other property; and

22 ~~[P.]~~ R. "tax year" means the calendar year."

23 SECTION 2. Section 7-36-16 NMSA 1978 (being Laws 1973,
24 Chapter 258, Section 18, as amended) is amended to read:

25 "7-36-16. RESPONSIBILITY OF COUNTY ASSESSORS TO DETERMINE

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1 AND MAINTAIN CURRENT AND CORRECT VALUES OF PROPERTY.--

2 A. County assessors shall determine [~~values of~~]
3 property values for property taxation purposes in accordance
4 with the Property Tax Code and the regulations, orders, rulings
5 and instructions of the department. [~~Except as limited in~~
6 ~~Section 7-36-21.2 NMSA 1978~~] They shall also implement a
7 program of updating property values so that current and correct
8 values of property are maintained and shall have sole
9 responsibility and authority at the county level for property
10 valuation maintenance, subject only to the general supervisory
11 powers of the [~~director~~] secretary.

12 B. The [~~director~~] department shall implement a
13 program of regular evaluation of county assessors' valuation
14 activities with particular emphasis on the maintenance of
15 current and correct values.

16 C. Upon request of the county assessor, the
17 [~~director~~] department may contract with a board of county
18 commissioners for the department to assume all or part of the
19 responsibilities, functions and authority of a county assessor
20 to establish or operate a property valuation maintenance
21 program in the county. The contract shall be in writing and
22 shall include provisions for the sharing of the program costs
23 between the county and the department. The contract must
24 include specific descriptions of the objectives to be reached
25 and the tasks to be performed by the contracting parties. The

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1 initial term of any contract authorized under this subsection
2 shall not extend beyond the end of the fiscal year following
3 the fiscal year in which it is executed, but contracts may be
4 renewed for additional one-year periods for succeeding years.

5 D. The department of finance and administration
6 shall not approve the operating budget of any county in which
7 there is not an adequate allocation of funds to the county
8 assessor for the purpose of fulfilling ~~[his]~~ the county
9 assessor's responsibilities for property valuation maintenance
10 under this section. If the department of finance and
11 administration questions the adequacy of any allocation of
12 funds for this purpose, it shall consult with the department,
13 the board of county commissioners and the county assessor in
14 making its determination of adequacy.

15 E. To aid the board of county commissioners in
16 determining whether a county assessor is operating an efficient
17 program of property valuation maintenance and in determining
18 the amount to be allocated to ~~[him]~~ the county assessor for
19 this function, the county assessor shall present with ~~[his]~~ the
20 county assessor's annual budget request a written report
21 setting forth improvements of property added to valuation
22 records during the year, additions of new property to valuation
23 records during the year, increases and decreases of valuation
24 during the year, the relationship of sales prices of property
25 sold to property values ~~[of the property]~~ for property taxation

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1 purposes and the current status of the overall property
2 valuation maintenance program in the county. The county
3 assessor shall send a copy of this report to the department."

4 SECTION 3. A new Section 7-36-34 NMSA 1978 is enacted to
5 read:

6 "7-36-34. [NEW MATERIAL] VALUATION ADJUSTMENT--LIMITATION
7 ON INCREASE IN TAXABLE VALUE--GENERAL.--

8 A. For the 2012 and subsequent property tax years,
9 the valuation adjustment for an owner-occupied residential
10 property, other than new construction and property whose
11 valuation adjustment is determined pursuant to Section 7-36-35
12 NMSA 1978, shall be an amount equal to the difference between:

13 (1) the property's ratio value for the
14 property tax year; and

15 (2) the sum of:

16 (a) the product of the property's prior
17 year taxable value multiplied by one and five hundredths;

18 (b) one-third of the value of any
19 physical improvements, other than solar energy system
20 installations, made after the prior year's valuation date and
21 not included in the prior year's value for property taxation
22 purposes; and

23 (c) one-third of the value of property
24 omitted in any previous year.

25 B. If the sum determined in Subsection A of this

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1 section is larger than the property's ratio value, the amount
2 of the valuation adjustment shall be zero, and for the 2013
3 property tax year, the valuation adjustment shall not reduce
4 the property's taxable value to an amount less than eighty-five
5 percent of the property's ratio value.

6 C. For the 2012 and subsequent property tax years,
7 the valuation adjustment for new construction shall equal the
8 value for property taxation purposes of the new construction
9 multiplied by a fraction, the numerator of which is the sum of
10 the valuation adjustments for the year of all comparable
11 properties in the county or in a neighborhood of the county and
12 the denominator of which is the sum of the ratio values for
13 that year of those comparable properties. For the purposes of
14 this subsection, "comparable properties" excludes new
15 construction and properties subject to Section 7-36-35 NMSA
16 1978.

17 D. If a property's valuation adjustment was
18 determined pursuant to Section 7-36-35 NMSA 1978 or Section
19 7-36-21.3 NMSA 1978 for the prior year but may not be
20 determined pursuant to Section 7-36-35 NMSA 1978 for the
21 current year, the valuation adjustment shall be determined
22 pursuant to Subsection C of this section and, in subsequent
23 property tax years, shall be determined pursuant to Subsections
24 A and B of this section for so long as the property's valuation
25 is determined pursuant to this section."

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1 SECTION 4. A new Section 7-36-35 NMSA 1978 is enacted to
2 read:

3 "7-36-35. [NEW MATERIAL] VALUATION ADJUSTMENT--LIMITATION
4 ON INCREASE IN NET TAXABLE VALUATION--SINGLE-FAMILY DWELLINGS
5 OCCUPIED BY LOW-INCOME OWNERS SIXTY-FIVE YEARS OF AGE OR OLDER
6 OR DISABLED.--

7 A. For the 2012 and subsequent property tax years,
8 the valuation adjustment for a single-family dwelling owned and
9 occupied by an eligible person shall be determined pursuant to
10 this section. For any property tax year in which the
11 single-family dwelling is not owned or occupied by an eligible
12 person, the valuation adjustment shall be determined pursuant
13 to Section 7-36-34 NMSA 1978.

14 B. The valuation adjustment for a single-family
15 dwelling shall be determined pursuant to this section when an
16 eligible person who owns and occupies the property files with
17 the county assessor an application for determination pursuant
18 to this section on a form designed or approved by the
19 department. The form shall provide for proof of occupancy,
20 income and age or disability for the tax year for which
21 application is made.

22 C. The valuation adjustment determined pursuant to
23 this section shall be:

24 (1) for a single-family dwelling owned and
25 occupied by a person sixty-five years of age or older whose

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1 modified gross income for the prior tax year does not exceed
2 twenty-four thousand dollars (\$24,000) or, for property tax
3 years after 2012, the adjusted amount calculated pursuant to
4 Subsection E of this section, the valuation adjustment for the
5 property equals the difference between the ratio value of the
6 dwelling in the current year and the:

7 (a) taxable value of the dwelling in the
8 2001 property tax year if the person was at least sixty-five
9 years of age in 2001 and owned and occupied the dwelling in
10 2001;

11 (b) taxable value of the dwelling in the
12 tax year in which the person's sixty-fifth birthday occurs and
13 the person owned and occupied the dwelling in that tax year, if
14 that year is after 2001 but prior to 2012;

15 (c) ratio value of the dwelling in the
16 tax year in which the person's sixty-fifth birthday occurs and
17 the person owned and occupied the dwelling in that tax year if
18 that year is after 2011;

19 (d) taxable value of the dwelling in the
20 tax year following the tax year in which the person who is
21 sixty-five years of age or older first owns and occupies the
22 property, if that year is after 2001 but prior to 2012; or

23 (e) ratio value of the dwelling in the
24 tax year following the tax year in which the person who is
25 sixty-five years of age or older first owns and occupies the

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1 property, if that year is after 2011;

2 (2) for a single-family dwelling owned and
3 occupied by a person sixty-five years of age or older whose
4 modified gross income for the prior tax year does not exceed
5 thirty-four thousand dollars (\$34,000) or, for property tax
6 years after 2012, the adjusted amount calculated pursuant to
7 Subsection E of this section, the valuation adjustment for the
8 dwelling equals the difference between the ratio value of the
9 dwelling for the current year and the:

10 (a) taxable value of the dwelling in the
11 2009 property tax year if the person was at least sixty-five
12 years of age in 2009 and owned and occupied the dwelling in
13 2009;

14 (b) taxable value of the dwelling in the
15 tax year in which the person's sixty-fifth birthday occurs and
16 the person owned and occupied the dwelling in that tax year, if
17 that year is after 2009 but prior to 2012;

18 (c) ratio value of the dwelling in the
19 tax year in which the person's sixty-fifth birthday occurs, if
20 that year is after 2011 and the person owned and occupied the
21 dwelling in that tax year;

22 (d) taxable value of the dwelling in the
23 tax year following the tax year in which the person who is
24 sixty-five years of age or older first owns and occupies the
25 property, if that year is after 2009 but prior to 2012; or

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1 (e) ratio value of the dwelling in the
2 tax year following the tax year in which the person who is
3 sixty-five years of age or older first owns and occupies the
4 property, if that year is after 2011; and

5 (3) for a single-family dwelling owned and
6 occupied by a person who is disabled and whose modified gross
7 income for the prior tax year does not exceed twenty-four
8 thousand dollars (\$24,000) or, for property tax years after
9 2012, the adjusted amount calculated pursuant to Subsection E
10 of this section, the valuation adjustment for the property
11 equals the difference between the ratio value of the dwelling
12 for the current year and the:

13 (a) taxable value of the dwelling in the
14 2003 property tax year if the person was at least sixty-five
15 years of age in 2003 and owned and occupied the dwelling in
16 2003;

17 (b) taxable value of the dwelling in the
18 tax year in which the person's sixty-fifth birthday occurs and
19 the person owned and occupied the dwelling in that tax year, if
20 that year is after 2003 but prior to 2012;

21 (c) ratio value of the dwelling in the
22 tax year in which the person's sixty-fifth birthday occurs and
23 the person owned and occupied the dwelling in that tax year, if
24 that year is after 2011;

25 (d) taxable value of the dwelling in the

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1 tax year following the tax year in which the person who is
2 sixty-five years of age or older first owns and occupies the
3 property, if that year is after 2003 but prior to 2012; or

4 (e) ratio value of the dwelling in the
5 tax year following the tax year in which the person who is
6 sixty-five years of age or older first owns and occupies the
7 property, if that year is after 2011.

8 D. An owner who is entitled to determination of a
9 valuation adjustment pursuant to more than one paragraph under
10 Subsection C of this section may designate the paragraph
11 pursuant to which the valuation adjustment shall be determined.

12 E. For the 2013 and subsequent property tax years,
13 the maximum amounts of modified gross income specified in
14 Subsections C and D of this section shall be adjusted to
15 account for inflation. The department shall make the
16 adjustment by multiplying the maximum amount for the prior
17 property tax year by a fraction, the numerator of which is the
18 consumer price index for the prior year and the denominator of
19 which is the consumer price index for the year immediately
20 preceding the prior year. The result of the multiplication
21 shall be rounded to the nearest one hundred dollars (\$100),
22 except that if the result would be an amount less than the
23 corresponding amount for the prior year, then no adjustment
24 shall be made.

25 F. As used in this section:

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

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

14 (3) "eligible person" means a person:

15 (a) who is sixty-five years of age or
16 older or sixty-five years of age or older and disabled in the
17 property tax year; and

18 (b) whose modified gross income for the
19 prior taxable year did not exceed the greater of thirty-four
20 thousand dollars (\$34,000) or the amount calculated pursuant to
21 Subsection E of this section; and

22 (4) "modified gross income" means "modified
23 gross income" as that term is defined in the Income Tax Act."

24 SECTION 5. Section 7-38-20 NMSA 1978 (being Laws 1973,
25 Chapter 258, Section 60, as amended) is amended to read:

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1 "7-38-20. COUNTY ASSESSOR AND DEPARTMENT TO MAIL NOTICES
2 OF VALUATION.--

3 A. By April 1 of each year, the county assessor
4 shall mail a notice to each property owner informing [~~him~~] the
5 property owner of the net taxable value of [~~his~~] the property
6 owner's property that has been valued for property taxation
7 purposes by the assessor.

8 B. By May 1 of each year, the department shall mail
9 a notice to each property owner informing [~~him~~] the property
10 owner of the net taxable value of [~~his~~] the property owner's
11 property that has been valued for property taxation purposes by
12 the department.

13 C. Failure to receive the notice required by this
14 section does not invalidate the value set on the property, any
15 property tax based on that value or any subsequent procedure or
16 proceeding instituted for the collection of the tax.

17 D. The notice required by this section shall state:

- 18 (1) the property owner's name and address;
- 19 (2) the description or identification of the
20 property valued;
- 21 (3) the classification of the property valued;
- 22 (4) the value set on the property for property
23 taxation purposes;
- 24 (5) the tax ratio;
- 25 (6) the valuation adjustment, if any, for the

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1 property;

2 [~~(6)~~] (7) the taxable value of the property;

3 [~~(7)~~] (8) the amount of any exemptions allowed
4 and a statement of the net taxable value of the property after
5 deducting the exemptions;

6 [~~(8)~~] (9) the allocations of net taxable
7 values to the governmental units;

8 [~~(9)~~] (10) briefly, the eligibility
9 requirements and application procedures and deadline for
10 claiming eligibility for a limitation on increases in the
11 valuation for property taxation purposes of a single-family
12 dwelling owned and occupied by a person sixty-five years of age
13 or older; and

14 [~~(10)~~] (11) briefly, the procedures for
15 protesting the value determined for property taxation purposes,
16 valuation adjustment, classification, allocation of values to
17 governmental units or denial of a claim for an exemption or for
18 the limitation on increases in valuation for property taxation
19 purposes.

20 E. The county assessor may mail the valuation
21 notice required pursuant to Subsection A of this section to
22 taxpayers with the preceding tax year's property tax bills if
23 the net taxable value of the property has not changed since the
24 preceding taxable year. In this early mailing, the county
25 assessor shall provide clear notice to the taxpayer that the

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1 valuation notice is for the succeeding tax year and that the
2 deadlines for protest of the value or classification of the
3 property apply to this mailing date."

4 SECTION 6. Section 7-38-21 NMSA 1978 (being Laws 1973,
5 Chapter 258, Section 61, as amended) is amended to read:

6 "7-38-21. PROTESTS--ELECTION OF REMEDIES.--

7 A. A property owner may protest the value or
8 classification determined for [~~his~~] the property owner's
9 property for property taxation purposes, the allocation of
10 value of [~~his~~] the property to a particular governmental unit
11 or a denial of a claim for an exemption or, [~~for a limitation~~
12 ~~on increase in value~~] with respect to residential property
13 only, the amount of valuation adjustment either by:

14 (1) filing a petition of protest with the
15 [~~director~~] secretary or the county assessor as provided in the
16 Property Tax Code; or

17 (2) filing a claim for refund after paying
18 [~~his~~] the taxes due on the property as provided in the Property
19 Tax Code.

20 B. The initiation of a protest under Paragraph (1)
21 of Subsection A of this section is an election to pursue that
22 remedy and is an unconditional and irrevocable waiver of the
23 right to pursue the remedy provided under Paragraph (2) of
24 Subsection A of this section.

25 C. A protest of the value for property taxation

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1 purposes of an owner-occupied residential property shall be
2 deemed to be also a protest of the valuation adjustment for
3 that property.

4 [G.] D. A property owner may also protest the
5 application to [his] the property owner's property of any
6 administrative fee adopted pursuant to Section 7-38-36.1 NMSA
7 1978 by filing a claim for refund after paying [his] the taxes
8 due on the property as provided in the Property Tax Code."

9 SECTION 7. Section 7-38-22 NMSA 1978 (being Laws 1973,
10 Chapter 258, Section 62, as amended) is amended to read:

11 "7-38-22. PROTESTING VALUES, VALUATION ADJUSTMENT,
12 CLASSIFICATION, ALLOCATION OF VALUES AND DENIAL OF EXEMPTION
13 DETERMINED BY THE [DIVISION] DEPARTMENT.--

14 A. A property owner may protest the value or
15 classification determined by the [~~division~~] department for
16 [his] the property owner's property for property taxation
17 purposes or the [~~division's~~] department's allocation of value
18 of [his] the property owner's property to a particular
19 governmental unit or the denial of a claim for an exemption or,
20 with respect to residential property only, the determination of
21 the amount of the valuation adjustment for the property by
22 filing a petition with the [director] department. Filing a
23 petition in accordance with this section entitles a property
24 owner to a hearing on [his] the protest.

25 B. Petitions shall:

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1 (1) be filed with the [~~division~~] department no
2 later than thirty days after the mailing by the [~~division~~]
3 department of the notice of valuation;

4 (2) state the property owner's name and
5 address and the description of the property;

6 (3) state why the property owner believes the
7 value, classification, [~~the~~] valuation adjustments, allocation
8 of value or denial of an exemption is incorrect and what [~~he~~]
9 the property owner believes the correct value, classification,
10 valuation adjustment, allocation of value or exemption to be;

11 (4) state the value, classification, valuation
12 adjustment, allocation of value or exemption that is not in
13 controversy; and

14 (5) contain such other information as the
15 [~~division~~] department may by regulation require.

16 C. The [~~division~~] department shall notify the
17 property owner by certified mail of the date, time and place
18 that [~~he~~] the property owner may appear before the [~~director~~]
19 secretary to support [~~his~~] the petition. The notice shall be
20 mailed at least fifteen days prior to the hearing date.

21 D. The [~~director~~] department may provide for an
22 informal conference on the protest before the hearing."

23 SECTION 8. Section 7-38-24 NMSA 1978 (being Laws 1973,
24 Chapter 258, Section 64, as amended) is amended to read:

25 "7-38-24. PROTESTING VALUES, VALUATION ADJUSTMENT,

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1 CLASSIFICATION, ALLOCATION OF VALUES AND DENIAL OF EXEMPTION
2 [~~OR LIMITATION ON INCREASE IN VALUE~~] DETERMINED BY THE COUNTY
3 ASSESSOR.--

4 A. A property owner may protest the value or
5 classification determined by the county assessor for [~~his~~] the
6 owner's property for property taxation purposes or the
7 assessor's allocation of value of [~~his~~] the owner's property to
8 a particular governmental unit or denial of a claim for an
9 exemption or, [~~for a limitation on increase in value~~] with
10 respect to residential property only, determination of the
11 amount of the valuation adjustment by filing a petition with
12 the assessor; provided that, for owner-occupied residential
13 property, a protest of the property's value for property
14 taxation purposes shall be deemed to be also a protest of the
15 valuation adjustment for that property. Filing a petition in
16 accordance with this section entitles the property owner to a
17 hearing on [~~his~~] the protest.

18 B. Petitions shall:

19 (1) be filed with the county assessor on or
20 before:

21 (a) the later of April 1 of the property
22 tax year to which the notice applies or thirty days after the
23 mailing by the assessor of the notice of valuation if the
24 notice was mailed with the preceding year's tax bill in
25 accordance with Section 7-38-20 NMSA 1978;

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1 (b) thirty days after the mailing of a
2 property tax bill on omitted property pursuant to
3 Section 7-38-76 NMSA 1978; or

4 (c) in all other cases, thirty days
5 after the mailing by the assessor of the notice of valuation;

6 (2) state the property owner's name and
7 address and the description of the property;

8 (3) state why the property owner believes the
9 value, valuation adjustment, classification, allocation of
10 value or denial of a claim of an exemption [~~or of a limitation~~
11 ~~on increase in value~~] is incorrect and what [~~he~~] the property
12 owner believes the correct value, valuation adjustment,
13 classification, allocation of value or exemption to be; and

14 (4) state the value, valuation adjustment,
15 classification, allocation of value or exemption that is not in
16 controversy.

17 C. Upon receipt of the petition, the county
18 assessor shall schedule a hearing before the county valuation
19 protests board and notify the property owner by certified mail
20 of the date, time and place that [~~he~~] the property owner may
21 appear to support [~~his~~] the petition. The notice shall be
22 mailed at least fifteen days prior to the hearing date.

23 D. The county assessor may provide for an informal
24 conference on the protest before the hearing."

25 SECTION 9. Section 7-38-35 NMSA 1978 (being Laws 1973,

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1 Chapter 258, Section 75, as amended) is amended to read:

2 "7-38-35. PREPARATION OF PROPERTY TAX SCHEDULE BY
3 ASSESSOR.--

4 A. After receipt of the rate-setting order and the
5 order imposing the tax, but no later than October 1 of each tax
6 year, the county assessor shall prepare a property tax schedule
7 for all property subject to property taxation in the county.
8 This schedule shall be in a form that shall be made available
9 electronically and contain the information required by
10 regulations of the department and shall contain at least the
11 following information:

12 (1) the description of the property taxed and,
13 if the property is personal property, its location;

14 (2) the property owner's name and address and
15 the name and address of any person other than the owner to whom
16 the tax bill is to be sent;

17 (3) the classification of the property;

18 (4) the value of the property determined for
19 property taxation purposes;

20 (5) the tax ratio;

21 (6) the valuation adjustment, if any, for the
22 property;

23 [~~6~~] (7) the taxable value of the property;

24 [~~7~~] (8) the amount of any exemption allowed
25 and a statement of the net taxable value of the property after

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1 deducting the exemption;

2 ~~[(8)]~~ (9) the allocations of net taxable value
3 to the governmental units;

4 ~~[(9)]~~ (10) the tax rate in dollars per
5 thousand of net taxable value for all taxes imposed on the
6 property;

7 ~~[(10)]~~ (11) the amount of taxes due on the
8 described property; and

9 ~~[(11)]~~ (12) the amount of any penalties and
10 interest already imposed and due on the described property.

11 B. The property tax schedule is a public record
12 and a part of the valuation records."

13 SECTION 10. Section 7-38-39 NMSA 1978 (being Laws 1973,
14 Chapter 258, Section 79, as amended by Laws 1983, Chapter
15 203, Section 1 and also by Laws 1983, Chapter 215, Section 2)
16 is amended to read:

17 "7-38-39. PROTESTING VALUES--CLAIM FOR REFUND.--After
18 receiving ~~[his]~~ the property tax bill for the property and
19 after making payment prior to the delinquency date of all
20 property taxes due in accordance with the bill, a property
21 owner may protest the value or classification determined for
22 ~~[his]~~ the owner's property for property taxation purposes,
23 the allocation of value of ~~[his]~~ the owner's property to a
24 particular governmental unit, the application to ~~[his]~~ the
25 owner's property of an administrative fee adopted pursuant to

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1 Section 7-38-36.1 NMSA 1978 or a denial of a claim for an
2 exemption or, with respect to residential property only, the
3 amount of the valuation adjustment for the property by filing
4 a claim for refund in the district court."

5 SECTION 11. Section 7-38-41 NMSA 1978 (being Laws 1973,
6 Chapter 258, Section 81, as amended) is amended to read:

7 "7-38-41. PROTESTED PROPERTY TAXES--SUSPENSE FUND--
8 REFUNDS--INTEREST.--

9 A. Each county treasurer shall establish a fund
10 to be known as the "property tax suspense fund". The portion
11 of any property taxes paid to the county treasurer that is
12 not admitted to be due and is the subject of a claim for
13 refund shall be deposited in this fund.

14 B. The fund shall be invested in interest-earning
15 securities, accounts or deposits that are legal investments
16 for county funds under the law and regulations of the
17 department of finance and administration. The county
18 treasurer shall keep records of interest earned by the
19 investment of the fund.

20 C. If a property owner's property taxes are
21 reduced [~~as a result of a decrease in value of the property~~
22 ~~taxed, a change in the classification, a change in the~~
23 ~~allocation of the value of the property to a particular~~
24 ~~governmental unit or granting of a claim for an exemption~~
25 ~~ordered]~~ by the final order of a court [~~after~~] pursuant to a

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1 claim for refund, the portion of the property taxes in
2 controversy found to be in excess of the amount legally due
3 and paid shall be refunded by the county treasurer to the
4 property owner. The refund shall be made within fifteen days
5 after the county treasurer receives a copy of the final order
6 relating to the protest. The amount of property taxes in
7 controversy found to be legally due and paid shall be
8 distributed to the appropriate governmental units in
9 accordance with the distribution regulations of the
10 department of finance and administration. All payments
11 authorized under this section shall be made from the property
12 tax suspense fund.

13 D. In addition to the payments authorized under
14 Subsection C of this section, the county treasurer shall pay
15 to the property owner and the governmental units their pro
16 rata share of interest earned by the protested taxes computed
17 by applying the earned interest rate of the fund to the
18 principal amounts of refund and distribution for the period
19 of time from the date of payment into the fund until a date
20 not more than thirty days prior to the date the actual refund
21 payment and distribution payment are made. Payments are
22 considered made on the date a refund payment is mailed or
23 delivered to the property owner and on the date a transfer
24 occurs on the county treasurer's books showing a distribution
25 payment.

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1 E. The department of finance and administration
2 may authorize the transfer of any surplus interest accruing
3 in the property tax suspense fund to the county general fund
4 at the close of the fiscal year."

5 SECTION 12. Section 7-38-77 NMSA 1978 (being Laws 1973,
6 Chapter 258, Section 117, as amended) is amended to read:

7 "7-38-77. [~~AUTHORITY TO MAKE~~] CHANGES IN PROPERTY TAX
8 SCHEDULE AFTER ITS DELIVERY TO THE COUNTY TREASURER.--After
9 delivery of the property tax schedule to the county
10 treasurer, the amounts shown on the schedule as taxes due and
11 other information on the schedule shall not be changed except
12 that the county treasurer:

13 A. [~~by the county treasurer to~~] may correct
14 obvious clerical errors in:

- 15 (1) the name or address of the property
- 16 owner or other persons shown on the schedule;
- 17 (2) the description of the property subject
- 18 to property taxation; or
- 19 (3) the mathematical computation of taxes;

20 B. [~~by the county treasurer to~~] may cancel
21 multiple valuations for property taxation purposes of the
22 same property in a single tax year, but only if:

- 23 (1) a taxpayer presents tax receipts showing
- 24 the payment of taxes by [~~him~~] the taxpayer for any year in
- 25 which multiple valuations for property taxation purposes are

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1 claimed to have been made;

2 (2) a taxpayer presents evidence of [~~his~~]
3 the taxpayer's ownership of the property, satisfactory to the
4 treasurer, as of January 1 of the year in which multiple
5 valuations for property taxation purposes are claimed to have
6 been made; and

7 (3) there is no dispute concerning ownership
8 of the property called to the attention of the treasurer, and
9 [~~he~~] the treasurer has no actual knowledge of any dispute
10 concerning ownership of the property;

11 C. [~~by the county treasurer, to~~] may correct the
12 tax schedule so that it no longer contains personal property
13 that is deemed to be unlocatable, unidentifiable or
14 uncollectible, after thorough research with verification by
15 the county assessor or appraiser, with notification to the
16 department and the county clerk;

17 D. [~~as a result of a protest, including a claim~~
18 ~~for refund, in accordance with the Property Tax Code, of~~
19 ~~values, classification, allocations of values determined for~~
20 ~~property taxation purposes or a denial of a claim for an~~
21 ~~exemption]~~ shall make the changes directed by a final order
22 issued with respect to a protest, including a claim for
23 refund, pursuant to Section 7-38-23, 7-38-27 or 7-38-40 NMSA
24 1978;

25 E. [~~by~~] shall make the changes directed by order

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1 of the department or the order of a court as a result of any
2 proceeding by the department to collect delinquent property
3 taxes under the Property Tax Code;

4 F. shall make the changes directed by a court
5 order entered in an action commenced by a property owner
6 [~~under~~] pursuant to Section 7-38-78 NMSA 1978;

7 G. [~~by~~] shall make the changes directed by order
8 of the department as authorized [~~under~~] pursuant to Section
9 7-38-79 NMSA 1978;

10 H. [~~by~~] shall make the changes directed by order
11 of the department of finance and administration [~~as~~
12 ~~authorized under~~] pursuant to Section 7-38-77.1 NMSA 1978; or

13 I. may make other changes as specifically
14 otherwise authorized in the Property Tax Code."

15 SECTION 13. Section 7-38-78 NMSA 1978 (being Laws 1973,
16 Chapter 258, Section 118, as amended) is amended to read:

17 "7-38-78. ACTION BY PROPERTY OWNER IN DISTRICT COURT TO
18 CHANGE PROPERTY TAX SCHEDULE.--

19 A. After the delivery of the property tax
20 schedule to the county treasurer for a particular tax year, a
21 property owner may bring an action in the district court
22 requesting a change in the property tax schedule in
23 connection with any property listed on the schedule for
24 property taxation in which the owner claims an interest. The
25 action shall be brought in the district court for the county

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1 for which the property tax schedule in question was prepared.

2 B. Actions brought under this section [~~may~~] shall
3 not directly challenge the value, valuation adjustment,
4 classification, allocations of value determined for property
5 taxation purposes or denial of any exemption claimed and
6 [~~must~~] shall be founded on one or more of the following
7 grounds:

8 (1) errors in the name or address of the
9 property owner or other person shown on the schedule;

10 (2) errors in the description of the
11 property for property taxation purposes;

12 (3) errors in the computation of taxes;

13 (4) errors in the property tax schedule
14 relating to the payment or nonpayment of taxes;

15 (5) multiple valuations for property
16 taxation purposes for a single tax year of the same property
17 on the property tax schedule; or

18 (6) errors in the rate of tax set for any
19 governmental unit in which the owner's property is located.

20 C. Actions brought under this section shall name
21 the county treasurer as defendant and, if the action is
22 brought under Paragraph (6) of Subsection B of this section,
23 shall also name the secretary of finance and administration
24 as a defendant."

25 SECTION 14. REPEAL.--

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1 A. Section 7-35-2.1 NMSA 1978 (being Laws 1995,
2 Chapter 12, Section 5) is repealed.

3 B. Sections 7-36-21.2 and 7-36-21.3 NMSA 1978
4 (being Laws 2000, Chapter 10, Section 2 and Laws 2000,
5 Chapter 21, Section 1, as amended) are repealed.

6 C. Section 7-38-20.1 NMSA 1978 (being Laws 2005,
7 Chapter 230, Section 3) is repealed.

8 D. Laws 1983, Chapter 203, Section 1 is repealed.

9 **SECTION 15. APPLICABILITY.**--The provisions of this act
10 are applicable to the 2012 and subsequent property tax years.