

HOUSE BILL 288

**50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; PROVIDING FOR THE AUTOMATIC  
EXTINGUISHMENT AND RELEASE OF A TAX LIEN AFTER TEN YEARS FROM  
THE DATE OF ASSESSMENT RATHER THAN THE DATE OF THE LIEN.

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

**SECTION 1.** Section 7-1-38 NMSA 1978 (being Laws 1965,  
Chapter 248, Section 40, as amended) is amended to read:

"7-1-38. NOTICE OF LIEN.--A notice of the lien provided  
for in Section 7-1-37 NMSA 1978 may be recorded in any county  
in the state in the tax lien index established by Sections  
48-1-1 through 48-1-7 NMSA 1978 and a copy thereof shall be  
sent to the taxpayer affected. Any county clerk to whom the  
notices are presented shall record them as requested without  
charge. The notice of lien shall identify the taxpayer whose  
liability for taxes is sought to be enforced [~~and~~], the date or

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1 approximate date on which the tax became due and the date of  
2 assessment and shall state that New Mexico claims a lien for  
3 the entire amount of tax asserted to be due, including  
4 applicable interest and penalties. Recording of the notice of  
5 lien shall be effective as to all property and rights to  
6 property of the taxpayer."

7 SECTION 2. Section 7-1-39 NMSA 1978 (being Laws 1965,  
8 Chapter 248, Section 41, as amended) is amended to read:

9 "7-1-39. RELEASE OR EXTINGUISHMENT OF LIEN--LIMITATION ON  
10 ACTIONS TO ENFORCE LIEN.--

11 A. When any substantial part of the amount of tax  
12 due from a taxpayer is paid, the department shall immediately  
13 file, in the same county in which a notice of lien was filed,  
14 and in the same records, a document completely or partially  
15 releasing the lien. The county clerk to whom such a document  
16 is presented shall record it without charge.

17 B. The department may file, in the same county as  
18 the notice of lien was filed, a document releasing or partially  
19 releasing any lien filed in accordance with Section 7-1-38 NMSA  
20 1978 when the filing of the lien was premature or did not  
21 follow requirements of law or when release or partial release  
22 would facilitate collection of taxes due. The county clerk to  
23 whom the document is presented shall record it without charge.

24 C. In all cases when a notice of lien for taxes,  
25 penalties and interest has been filed under Section 7-1-38 NMSA

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underscoring material = new  
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1 1978 and a period of ten years has passed from the date [~~the~~  
2 ~~lien was filed~~] of assessment, as shown on the notice of lien,  
3 the taxes, penalties and interest for which the lien is claimed  
4 shall be conclusively presumed to have been paid. The county  
5 clerk shall enter in [~~his~~] the records a notice including the  
6 words "canceled by act of legislature" and the lien is thereby  
7 extinguished. No action shall be brought to enforce any lien  
8 extinguished in accordance with this subsection."

9 SECTION 3. EFFECTIVE DATE.--The effective date of the  
10 provisions of this act is July 1, 2012.