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AN ACT

RELATING TO TAXATION; PROVIDING THAT A DISABLED VETERAN'S
PROPERTY TAX EXEMPTION MAY REMAIN ON SUBSEQUENTLY TRANSFERRED
PROPERTY OR MAY ATTACH TO NEW PROPERTY.

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

SECTION 1. Section 7-37-5.1 NMSA 1978 (being Laws 2000,
Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1,
as amended) is amended to read:

"7-37-5.1. DISABLED VETERAN EXEMPTION.--

A. As used in this section:

(1) "disabled veteran" means an individual
who:

(a) has been honorably discharged from
membership in the armed forces of the United States or has
received a discharge certificate from a branch of the armed
forces of the United States for civilian service recognized
pursuant to federal law as service in the armed forces of the
United States; and

(b) has been determined pursuant to
federal law to have a one hundred percent permanent and total
service-connected disability; and

(2) "honorably discharged" means discharged
from the armed forces pursuant to a discharge other than a
dishonorable or bad conduct discharge.

1 B. The property of a disabled veteran, including
2 joint or community property of the veteran and the veteran's
3 spouse, is exempt from property taxation if it is occupied by
4 the disabled veteran as the veteran's principal place of
5 residence. Property held in a grantor trust established
6 under Sections 671 through 677 of the Internal Revenue Code
7 of 1986, as those sections may be amended or renumbered, by a
8 disabled veteran or the veteran's surviving spouse is also
9 exempt from property taxation if the property otherwise meets
10 the requirements for exemption in this subsection or
11 Subsection C of this section.

12 C. The property of the surviving spouse of a
13 disabled veteran is exempt from property taxation if:

14 (1) the surviving spouse and the disabled
15 veteran were married at the time of the disabled veteran's
16 death; and

17 (2) the surviving spouse continues to occupy
18 the property continuously after the disabled veteran's death
19 as the spouse's principal place of residence.

20 D. Upon the transfer of the principal place of
21 residence of a disabled veteran or of a surviving spouse of a
22 disabled veteran entitled to and granted a disabled veteran
23 exemption, the disabled veteran or the surviving spouse may
24 choose to:

25 (1) maintain the exemption for that

1 residence for the remainder of the year, even if the
2 residence is transferred during the year; or

3 (2) remove the exemption for that residence
4 and apply it to the disabled veteran's or the disabled
5 veteran's surviving spouse's new principal place of
6 residence, regardless of whether the exemption was applied
7 for and claimed within thirty days of the mailing of the
8 county assessor's notice of valuation made pursuant to the
9 provisions of Section 7-38-20 NMSA 1978.

10 E. The exemption provided by this section may be
11 referred to as the "disabled veteran exemption".

12 F. The disabled veteran exemption shall be applied
13 only if claimed and allowed in accordance with
14 Section 7-38-17 NMSA 1978 and the rules of the department.

15 G. The veterans' services department shall assist
16 the department and the county assessors in determining which
17 veterans qualify for the disabled veteran exemption."

18 SECTION 2. APPLICABILITY.--The provisions of this
19 act apply to taxable years beginning on or after
20 January 1, 2016. _____