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AN ACT

RELATING TO TAXATION; INCREASING THE INCOME LIMIT FOR
ELIGIBILITY FOR A LIMITATION ON PROPERTY TAX VALUATION OF A
DWELLING OCCUPIED BY A PERSON WHO IS SIXTY-FIVE YEARS OF AGE
OR OLDER OR DISABLED.

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 WHO ARE SIXTY-
FIVE YEARS OF AGE OR OLDER OR DISABLED--REQUIREMENTS--
PENALTIES.--

A. 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 or disabled and whose
modified gross income for the prior taxable year did not
exceed the greater of thirty-five thousand dollars (\$35,000)
or the amount calculated pursuant to Subsection F of this
section shall not be greater than the valuation of the
property for property taxation purposes in the:

(1) tax year in which the owner's sixty-
fifth birthday occurs, if the owner owns and occupies that
property; or

(2) tax year following the tax year in which

1 an owner who is sixty-five years of age or older first owns
2 and occupies the property.

3 B. The limitation provided by this section may be
4 claimed by filing proof of eligibility with the county
5 assessor on an application form furnished by the assessor.
6 The application form shall be designed by the department and
7 shall provide for proof of age or disability, occupancy and
8 income eligibility. An owner who applies for the limitation
9 of value specified in this section and files proof of income
10 eligibility for the three consecutive years immediately prior
11 to the tax year for which the application is made need not
12 claim the limitation for subsequent tax years if there is no
13 change in eligibility. The county assessor shall apply the
14 limitation automatically in subsequent tax years until a
15 change in eligibility occurs.

16 C. An owner who has claimed and been allowed the
17 limitation of value specified in this section for the three
18 consecutive tax years immediately prior to the 2020 tax year
19 is not required to claim the limitation for subsequent tax
20 years if there is no change in eligibility, unless the county
21 assessor requests updated information on the owner's modified
22 gross income. The county assessor shall apply the limitation
23 automatically in subsequent tax years until a change in
24 eligibility occurs.

25 D. A person who has had a limitation applied to a

1 tax year and subsequently becomes ineligible for the
2 limitation because of a change in the person's status or
3 income or a change in the ownership of the property against
4 which the limitation was applied shall notify the county
5 assessor of the loss of eligibility for the limitation by the
6 last day of February of the tax year immediately following
7 the year in which loss of eligibility occurs.

8 E. A person who knowingly violates the provisions
9 of this section by intentionally claiming and receiving the
10 benefit of a limitation to which the person is not entitled
11 or who fails to comply with the provisions of Subsection D of
12 this section shall be liable for all taxes due, interest and
13 a civil penalty of one thousand dollars (\$1,000).

14 F. For the 2020 tax year and each subsequent tax
15 year, the maximum amount of modified gross income in
16 Subsection A of this section shall be adjusted to account for
17 inflation. The department shall make the adjustment by
18 multiplying thirty-five thousand dollars (\$35,000) by a
19 fraction, the numerator of which is the consumer price index
20 ending during the prior tax year and the denominator of which
21 is the consumer price index ending in tax year 2019. The
22 result of the multiplication shall be rounded down to the
23 nearest one hundred dollars (\$100), except that if the result
24 would be an amount less than the corresponding amount for the
25 preceding tax year, then no adjustment shall be made.

1 G. The department shall publish annually the
2 amount determined by the calculation made pursuant to
3 Subsection F of this section and provide the calculated
4 amount to each county assessor no later than December 1 of
5 each tax year.

6 H. The limitation of value specified in Subsection
7 A 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) "consumer price index" means the
17 consumer price index for all urban consumers published by the
18 United States department of labor for the month ending
19 September 30;

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

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(3) "modified gross income" means "modified gross income" as used in the Income Tax Act."

SECTION 2. APPLICABILITY.--The provisions of this act apply to the 2020 and subsequent property tax years. _____