

HOUSE BILL 342

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Derrick J. Lente

AN ACT

RELATING TO PROPERTY TAX; AMENDING AND ENACTING SECTIONS OF THE
PROPERTY TAX CODE; PROVIDING THAT A LIMITATION ON INCREASES IN
THE VALUATION OF RESIDENTIAL PROPERTY APPLIES TO CERTAIN
PHYSICAL IMPROVEMENTS; REQUIRING AN AFFIDAVIT TO BE FILED WITH
THE COUNTY ASSESSOR FOR THE TRANSFER OF CERTAIN REAL PROPERTY;
EXCLUDING CERTAIN REAL PROPERTY TRANSFERS FROM THE REQUIREMENT
TO FILE AN AFFIDAVIT; AMENDING CERTAIN PROPERTY TAX EXEMPTIONS
FOR VETERANS TO REFLECT CHANGES MADE TO THE EXEMPTIONS PURSUANT
TO CONSTITUTIONAL AMENDMENTS APPROVED BY VOTERS AT THE NOVEMBER
5, 2024 GENERAL ELECTION; PROVIDING THAT PROPERTY TAX
EXEMPTIONS FOR A DISABLED VETERAN OR DISABLED VETERAN'S
SURVIVING SPOUSE MAY BE TRANSFERRED IN THE SAME TAX YEAR BY
WRITTEN REQUEST TO THE COUNTY ASSESSOR; PROVIDING TEMPORARY
LIMITATIONS ON THE VALUATION OF NONRESIDENTIAL PROPERTY;
PROVIDING AN ADMINISTRATIVE PENALTY FOR THE FAILURE TO REPORT

.229609.4

underscoring material = new
~~[bracketed material] = delete~~

underscored material = new
[bracketed material] = delete

1 IN A TIMELY MANNER AFFIDAVITS FOR PROPERTY TRANSFERS; REMOVING
2 THE REQUIREMENT THAT A FORM DECLARING A PROPERTY AS RESIDENTIAL
3 BE MAILED TO THE PROPERTY OWNER; AMENDING FORM REQUIREMENTS FOR
4 NOTICES OF VALUATION SENT TO PROPERTY OWNERS; INCREASING THE
5 RATE OF PAY FOR COUNTY VALUATION PROTESTS BOARD MEMBERS AND
6 ADJUSTING IT FOR INFLATION; PROVIDING AN ADMINISTRATIVE
7 PENALTY; DECLARING AN EMERGENCY.

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

10 SECTION 1. Section 7-36-21.2 NMSA 1978 (being Laws 2000,
11 Chapter 10, Section 2, as amended) is amended to read:

12 "7-36-21.2. LIMITATION ON INCREASES IN VALUATION OF
13 RESIDENTIAL PROPERTY.--

14 A. Residential property shall be valued at its
15 current and correct value in accordance with the provisions of
16 the Property Tax Code; provided that for the 2001 and
17 subsequent tax years, the value of a property in any tax year
18 shall not exceed the higher of one hundred three percent of the
19 value in the tax year prior to the tax year in which the
20 property is being valued or one hundred six and one-tenth
21 percent of the value in the tax year two years prior to the tax
22 year in which the property is being valued. This limitation on
23 increases in value does not apply to:

24 (1) a residential property in the first tax
25 year that it is valued for property taxation purposes;

.229609.4

underscoring material = new
[bracketed material] = delete

1 (2) any physical improvements [~~except for~~
2 ~~solar energy system installations~~] made to the property during
3 the year immediately prior to the tax year or omitted in a
4 prior tax year, except for:

5 (a) a solar energy system installation;
6 or

7 (b) reproduction of physical
8 improvements destroyed by a declared state disaster or
9 emergency; or

10 (3) valuation of a residential property in any
11 tax year in which:

12 (a) a change of ownership of the
13 property occurred in the year immediately prior to the tax year
14 for which the value of the property for property taxation
15 purposes is being determined; or

16 (b) the use or zoning of the property
17 has changed in the year prior to the tax year.

18 B. If a change of ownership of residential property
19 occurred in the year immediately prior to the tax year for
20 which the value of the property for property taxation purposes
21 is being determined, the value of the property shall be its
22 current and correct value as determined pursuant to the general
23 valuation provisions of the Property Tax Code.

24 [~~C. To assure that the values of residential~~
25 ~~property for property taxation purposes are at current and~~

.229609.4

underscoring material = new
[bracketed material] = delete

1 ~~correct values in all counties prior to application of the~~
2 ~~limitation in Subsection A of this section, the department~~
3 ~~shall determine for the 2000 tax year the sales ratio pursuant~~
4 ~~to Section 7-36-18 NMSA 1978 or, if a sales ratio cannot be~~
5 ~~determined pursuant to that section, conduct a sales-ratio~~
6 ~~analysis using both independent appraisals by the department~~
7 ~~and sales. If the sales ratio for a county for the 2000 tax~~
8 ~~year is less than eighty-five, as measured by the median ratio~~
9 ~~of value for property taxation purposes to sales price or~~
10 ~~independent appraisal by the department, the county shall not~~
11 ~~be subject to the limitations of Subsection A of this section~~
12 ~~and shall conduct a reassessment of residential property in the~~
13 ~~county so that, by the 2003 tax year, the sales ratio is at~~
14 ~~least eighty-five. After such reassessment, the limitation on~~
15 ~~increases in valuation in this section shall apply in those~~
16 ~~counties in the earlier of the 2004 tax year or the first tax~~
17 ~~year following the tax year that the county has a sales ratio~~
18 ~~of eighty-five or higher, as measured by the median ratio of~~
19 ~~value for property taxation purposes to sales value or~~
20 ~~independent appraisal by the department. Thereafter, the~~
21 ~~limitation on increases in valuation of residential property~~
22 ~~for property taxation purposes in this section shall apply to~~
23 ~~subsequent tax years in all counties.~~

24 ~~D.] C.~~ C. The provisions of this section do not apply
25 to residential property for any tax year in which the property

.229609.4

underscoring material = new
[bracketed material] = delete

1 is subject to the valuation limitation in Section 7-36-21.3
2 NMSA 1978.

3 ~~[E-]~~ D. As used in this section:

4 (1) "change of ownership" means a transfer to
5 a transferee by a transferor of all or any part of the
6 transferor's legal or equitable ownership interest in
7 residential property except for a transfer:

8 ~~[(1)]~~ (a) to a trustee for the
9 beneficial use of the spouse of the transferor or the surviving
10 spouse of a deceased transferor;

11 ~~[(2)]~~ (b) to the spouse of the
12 transferor that takes effect upon the death of the transferor;

13 ~~[(3)]~~ (c) that creates, transfers or
14 terminates, solely between spouses, any co-owner's interest;

15 ~~[(4)]~~ (d) to a child of the transferor,
16 who occupies the property as that person's principal residence
17 at the time of transfer; provided that the first subsequent tax
18 year in which that person does not qualify for the head of
19 household exemption on that property, a change of ownership
20 shall be deemed to have occurred;

21 ~~[(5)]~~ (e) that confirms or corrects a
22 previous transfer made by a document that was recorded in the
23 real estate records of the county in which the real property is
24 located;

25 ~~[(6)]~~ (f) for the purpose of quieting

.229609.4

underscored material = new
[bracketed material] = delete

1 the title to real property or resolving a disputed location of
2 a real property boundary;

3 ~~[(7)]~~ (g) to a revocable trust by the
4 transferor with the transferor, the transferor's spouse or a
5 child of the transferor as beneficiary; or

6 ~~[(8)]~~ (h) from a revocable trust
7 described in ~~[Paragraph (7)]~~ Subparagraph (g) of this
8 ~~[subsection]~~ paragraph back to the settlor or trustor or to the
9 beneficiaries of the trust;

10 ~~[F. As used in this section]~~ (2) "declared
11 state disaster or emergency" means a disaster or emergency
12 event for which:

13 (a) a governor's state-of-emergency
14 proclamation has been issued; or

15 (b) a presidential declaration of a
16 federal major disaster or emergency has been issued;

17 (3) "reproduction" means a new construction
18 structure that is a close or an exact copy of previously
19 existing physical improvements that have substantially similar
20 total square footage, living square footage and quality of
21 building materials that tends to replicate the previously
22 existing structure; and

23 (4) "solar energy system installation" means
24 an installation that is used to provide space heat, hot water
25 or electricity to the property in which it is installed and is:

.229609.4

underscored material = new
~~[bracketed material] = delete~~

1 [~~(1)~~] (a) an installation that uses
2 solar panels that are not also windows;

3 [~~(2)~~] (b) a dark-colored water tank
4 exposed to sunlight; or

5 [~~(3)~~] (c) a non-vented trombe wall."

6 SECTION 2. A new section of the Property Tax Code,
7 Section 7-36-21.4 NMSA 1978, is enacted to read:

8 "7-36-21.4. [NEW MATERIAL] TEMPORARY LIMITATION ON
9 NONRESIDENTIAL PROPERTY VALUATION.--

10 A. Nonresidential property shall be valued at its
11 current and correct value in accordance with the provisions of
12 the Property Tax Code; provided that for the 2025 through 2037
13 tax years, the value of a property in any tax year shall not
14 exceed one hundred twelve percent of the value in the tax year
15 prior to the tax year in which the property is being valued.

16 B. The limitation on increases in value in
17 Subsection A of this section does not apply to:

18 (1) a nonresidential property in the first tax
19 year that the property is valued for property taxation
20 purposes;

21 (2) any physical improvements made to a
22 property during the year immediately prior to the tax year or
23 omitted in a prior tax year, except for reproduction of
24 physical improvements destroyed by a declared state disaster or
25 emergency;

.229609.4

1 (3) valuation of a nonresidential property in
2 any tax year in which the use or zoning of the property has
3 changed in the year prior to the tax year; or

4 (4) vacant land that has been acquired with
5 the bona fide intention of developing the vacant land, in which
6 case the acquired property shall be valued at up to fifty
7 percent less than its current and correct value for the three
8 years beginning the tax year after the transfer occurs.

9 C. As used in this section:

10 (1) "declared state disaster or emergency"
11 means a disaster or emergency event for which:

12 (a) a governor's state-of-emergency
13 proclamation has been issued; or

14 (b) a presidential declaration of a
15 federal major disaster or emergency has been issued;

16 (2) "reproduction" means a new construction
17 structure that is a close or an exact copy of previously
18 existing physical improvements that have substantially similar
19 total square footage, living square footage and quality of
20 building materials that tends to replicate the previously
21 existing structure; and

22 (3) "vacant land" means any land without
23 physical improvements or structures and includes land with or
24 without basic infrastructure such as roads, utilities and other
25 improvements, but does not include land developed for

underscored material = new
[bracketed material] = delete

1 commercial purposes, such as parking lots, recreational vehicle
2 parks or mobile home parks."

3 SECTION 3. Section 7-37-5 NMSA 1978 (being Laws 1973,
4 Chapter 258, Section 38, as amended) is amended to read:

5 "7-37-5. VETERAN EXEMPTION.--

6 A. [~~Up to four thousand dollars (\$4,000)~~] An amount
7 as provided in Subsection B of this section of the taxable
8 value of property, including the community or joint property of
9 [~~husband and wife~~] married individuals, subject to the tax is
10 exempt from the imposition of the tax if the property is owned
11 by a veteran or the veteran's unmarried surviving spouse if the
12 veteran or surviving spouse is a New Mexico resident or if the
13 property is held in a grantor trust established under Sections
14 671 through 677 of the Internal Revenue Code of 1986, as those
15 sections may be amended or renumbered, by a veteran or the
16 veteran's unmarried surviving spouse if the veteran or
17 surviving spouse is a New Mexico resident. The exemption shall
18 be deducted from the taxable value of the property to determine
19 the net taxable value of the property.

20 B. The exemption allowed shall be in the following
21 amounts for the specified tax years:

22 [~~(1) for tax year 2004, the exemption shall be~~
23 ~~three thousand dollars (\$3,000);~~

24 [~~(2) for tax year 2005, the exemption shall be~~
25 ~~three thousand five hundred dollars (\$3,500); and~~

.229609.4

underscored material = new
[bracketed material] = delete

1 ~~(3) for tax year 2006 and each subsequent tax~~
2 ~~year, the exemption shall be four thousand dollars (\$4,000)]~~

3 (1) for tax years 2006 through 2024, four
4 thousand dollars (\$4,000);

5 (2) for tax year 2025, ten thousand dollars
6 (\$10,000); and

7 (3) for tax year 2026 and subsequent tax
8 years, the amount provided in Paragraph (2) of this subsection,
9 adjusted for inflation pursuant to Subsection C of this
10 section.

11 C. For tax year 2026 and subsequent tax years, the
12 amount of exemption shall be adjusted to account for inflation.
13 The department shall make the adjustment by multiplying ten
14 thousand dollars (\$10,000) by a fraction, the numerator of
15 which is the consumer price index ending during the prior tax
16 year and the denominator of which is the consumer price index
17 ending in tax year 2026. The result of the multiplication
18 shall be rounded down to the nearest one hundred dollars
19 (\$100), except that if the result would be an amount less than
20 the corresponding amount for the preceding tax year, then no
21 adjustment shall be made.

22 D. The department shall publish annually the amount
23 determined by the calculation made pursuant to Subsection C of
24 this section and provide the calculated amount to each county
25 assessor no later than December 1 of the prior tax year.

.229609.4

underscored material = new
[bracketed material] = delete

1 ~~[B.]~~ E. The veteran exemption shall be applied only
2 if claimed and allowed in accordance with Section 7-38-17 NMSA
3 1978 and regulations of the department. ~~[For taxpayers who~~
4 ~~became eligible for a veteran exemption due to the approval of~~
5 ~~the amendment to Article 8, Section 5 of the constitution of~~
6 ~~New Mexico in November 2004, a county assessor shall, at the~~
7 ~~time of determining the net taxable value of the taxpayer's~~
8 ~~property for the 2005 property tax year, in addition to~~
9 ~~complying with the provisions of Section 7-38-17 NMSA 1978,~~
10 ~~determine the net taxable value of the taxpayer's property that~~
11 ~~would result from the application of the veteran exemption for~~
12 ~~the 2004 property tax year had the deadline for applying for~~
13 ~~the veteran exemption in 2004 occurred after the amendment was~~
14 ~~certified. The veteran exemption for 2004 shall not be~~
15 ~~credited against the 2005 property value of a taxpayer until~~
16 ~~the taxpayer has paid in full the taxpayer's property tax~~
17 ~~liability for the 2004 property tax year.~~

18 ~~G.]~~ F. As used in this section:

19 (1) "consumer price index" means the consumer
20 price index for all urban consumers published by the United
21 States department of labor for the month ending September 30;
22 and

23 (2) "veteran" means an individual who:

24 ~~[+]~~ (a) has been honorably discharged
25 from membership in the armed forces of the United States; and

underscored material = new
[bracketed material] = delete

1 [~~(2)~~] (b) except as provided in
2 Subsection G of this section, served in the armed forces of the
3 United States on active duty continuously for ninety days.

4 [~~D. For the purposes of Subsection C of this~~
5 ~~section]~~

6 G. A person who would otherwise be entitled to
7 status as a veteran except for failure to have served in the
8 armed forces continuously for ninety days is considered to have
9 met that qualification if the person served for less than
10 ninety days and the reason for not having served for ninety
11 days was a discharge brought about by service-connected
12 disablement.

13 [~~E.~~] H. For the purposes of Subsection [~~E~~] F of
14 this section, a person has been "honorably discharged" unless
15 the person received either a dishonorable discharge or a
16 discharge for misconduct.

17 [~~F.~~] I. For the purposes of this section, a person
18 whose civilian service has been recognized as service in the
19 armed forces of the United States under federal law and who has
20 been issued a discharge certificate by a branch of the armed
21 forces of the United States shall be considered to have served
22 in the armed forces of the United States."

23 SECTION 4. Section 7-37-5.1 NMSA 1978 (being Laws 2000,
24 Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1, as
25 amended) is amended to read:

.229609.4

1 "7-37-5.1. DISABLED VETERAN EXEMPTION.--

2 A. As used in this section:

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

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

11 (b) has been determined pursuant to
12 federal law to have a [~~one hundred percent~~] permanent [~~and~~
13 ~~total~~] service-connected disability; and

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

17 B. The property of a disabled veteran, including
18 joint or community property of the veteran and the veteran's
19 spouse, is exempt from property taxation [~~if it~~] in an amount
20 that shall be based on the percentage of the veteran's
21 disability as determined by federal law; provided that the
22 property is occupied by the disabled veteran as the veteran's
23 principal place of residence. Property held in a grantor trust
24 established under Sections 671 through 677 of the Internal
25 Revenue Code of 1986, as those sections may be amended or

.229609.4

underscored material = new
~~[bracketed material] = delete~~

1 renumbered, by a disabled veteran or the veteran's surviving
2 spouse is also exempt from property taxation if the property
3 otherwise meets the requirements for exemption in this
4 subsection or Subsection C of this section.

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

7 (1) the surviving spouse and the disabled
8 veteran were married at the time of the disabled veteran's
9 death; and

10 (2) the surviving spouse continues to occupy
11 the property continuously after the disabled veteran's death as
12 the spouse's principal place of residence.

13 D. Upon the transfer of the principal place of
14 residence of a disabled veteran or of a surviving spouse of a
15 disabled veteran entitled to and granted a disabled veteran
16 exemption, the disabled veteran or the surviving spouse may
17 choose to:

18 (1) maintain the exemption for that residence
19 for the remainder of the year, even if the residence is
20 transferred during the year; or

21 (2) remove the exemption for that residence
22 for the current tax year and apply it to the disabled veteran's
23 or the disabled veteran's surviving spouse's new principal
24 place of residence, regardless of whether the exemption was
25 applied for and claimed within thirty days of the mailing of

.229609.4

underscored material = new
[bracketed material] = delete

1 the county assessor's notice of valuation made pursuant to the
2 provisions of Section 7-38-20 NMSA 1978. To transfer the
3 exemption, the disabled veteran or the disabled veteran's
4 surviving spouse shall, no later than thirty days following the
5 change of ownership, make a written transfer request to the
6 county assessor to remove the exemption from the prior
7 principal place of residence and apply it to the new principal
8 place of residence.

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

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

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

17 SECTION 5. Section 7-38-12.1 NMSA 1978 (being Laws 2003,
18 Chapter 118, Section 2, as amended) is amended to read:

19 "7-38-12.1. RESIDENTIAL PROPERTY TRANSFERS--AFFIDAVIT TO
20 BE FILED WITH ASSESSOR.--

21 A. [~~After January 1, 2004~~] A transferor or the
22 transferor's authorized agent or a transferee or the
23 transferee's authorized agent presenting for recording with a
24 county clerk a deed, real estate contract or memorandum of real
25 estate contract transferring an interest in real property

.229609.4

underscoring material = new
~~[bracketed material] = delete~~

1 ~~[classified as residential property]~~ for property taxation
2 purposes shall also file with the county assessor within thirty
3 days of the date of filing with the county clerk an affidavit
4 signed and completed in accordance with the provisions of
5 Subsection B of this section.

6 B. The affidavit required for submission shall be
7 in a form approved by the department and signed by the
8 transferors or their authorized agents or the transferees or
9 their authorized agents of any interest in ~~[residential]~~ real
10 property transferred by deed or real estate contract. The
11 affidavit shall contain only the following information to be
12 used only for analytical and statistical purposes in the
13 application of appraisal methods:

14 (1) the complete names of all transferors and
15 transferees;

16 (2) the current mailing addresses of all
17 transferors and transferees;

18 (3) the legal description of the real property
19 interest transferred as it appears in the document of transfer;

20 (4) the full consideration, including money or
21 any other thing of value, paid or exchanged for the transfer
22 and the terms of the sale, including any amount of seller
23 incentives; and

24 (5) the value and a description of personal
25 property that is included in the sale price.

.229609.4

underscoring material = new
[bracketed material] = delete

1 C. Upon receipt of the affidavit required by
2 Subsection A of this section, the county assessor shall place
3 the date of receipt on the original affidavit and on a copy of
4 the affidavit. The county assessor shall retain the original
5 affidavit as a confidential record and as proof of compliance
6 and shall return the copy marked with the date of receipt to
7 the person presenting the affidavit. The assessor shall index
8 the affidavits in a manner that permits cross-referencing to
9 other records in the assessor's office pertaining to the
10 specific property described in the affidavit. The affidavit
11 and its contents are not part of the valuation record of the
12 assessor.

13 D. The affidavit required by Subsection A of this
14 section shall not be required for:

- 15 ~~[(1)]~~ a deed transferring nonresidential
16 property;
- 17 ~~(2)]~~ (1) a deed that results from the payment
18 in full or forfeiture by a transferee under a recorded real
19 estate contract or recorded memorandum of real estate contract;
- 20 ~~[(3)]~~ (2) a lease of or easement on real
21 property, regardless of the length of term;
- 22 ~~[(4)]~~ (3) a deed, patent or contract for sale
23 or transfer of real property in which an agency or
24 representative of the United States or New Mexico or any
25 political subdivision of the state is the named grantor or

underscoring material = new
[bracketed material] = delete

1 grantee and authorized transferor or transferee;

2 [~~(5)~~] (4) a quitclaim deed to quiet title or
3 clear boundary disputes;

4 [~~(6)~~] (5) a conveyance of real property
5 executed pursuant to court order;

6 [~~(7)~~] (6) a deed to an unpatented mining
7 claim;

8 [~~(8)~~] (7) an instrument solely to provide or
9 release security for a debt or obligation;

10 [~~(9)~~] (8) an instrument that confirms or
11 corrects a deed previously recorded;

12 [~~(10)~~] (9) an instrument between [~~husband and~~
13 ~~wife~~] married individuals or parent and child with only nominal
14 actual consideration therefor;

15 [~~(11)~~] (10) an instrument arising out of a
16 sale for delinquent taxes or assessments;

17 [~~(12)~~] (11) an instrument accomplishing a
18 court-ordered partition;

19 [~~(13)~~] (12) an instrument arising out of a
20 merger or incorporation;

21 [~~(14)~~] (13) an instrument by a subsidiary
22 corporation to its parent corporation for no consideration,
23 nominal consideration or in sole consideration of the
24 cancellation or surrender of the subsidiary's stock;

25 [~~(15)~~] (14) an instrument from a person to a

.229609.4

underscored material = new
[bracketed material] = delete

1 trustee or from a trustee to a trust beneficiary with only
2 nominal actual consideration therefor;

3 [~~(16)~~] (15) an instrument to or from an
4 intermediary for the purpose of creating a joint tenancy estate
5 or some other form of ownership; [~~or~~

6 ~~(17)~~] (16) an instrument delivered to
7 establish a gift or a distribution from an estate of a decedent
8 or trust;

9 (17) a deed, patent or contract for sale or
10 transfer of real property in which the property was valued
11 pursuant to Section 7-36-20 NMSA 1978 in the prior tax year; or

12 (18) an instrument delivered to convey solely
13 the mineral or subsurface estate of real property.

14 E. The affidavit required by Subsection A of this
15 section shall not be construed to be a valuation record
16 pursuant to Section 7-38-19 NMSA 1978.

17 [~~F. Prior to November 1, 2003, the department shall~~
18 ~~print and distribute to each county assessor affidavit forms~~
19 ~~for distribution to the public upon request.]"~~

20 SECTION 6. Section 7-38-12.2 NMSA 1978 (being Laws 2003,
21 Chapter 118, Section 3) is amended to read:

22 "7-38-12.2. PENALTIES--CRIMINAL--ADMINISTRATIVE---

23 A. A person who intentionally refuses to make a
24 required report within the time period specified under the
25 provisions of Section 7-38-12.1 NMSA 1978 or who knowingly

.229609.4

underscored material = new
[bracketed material] = delete

1 makes a false statement on an affidavit required under the
2 provisions of Section 7-38-12.1 NMSA 1978:

3 (1) is guilty of a misdemeanor and upon
4 conviction shall be punished by the imposition of a fine of not
5 more than one thousand dollars (\$1,000); and

6 (2) may be assessed an administrative penalty
7 by the county assessor not to exceed one thousand dollars
8 (\$1,000). Each county assessor shall publish electronically
9 the amount that shall be assessed according to the valuation of
10 the property. This penalty shall be imposed and collected at
11 the same time and in the same manner that the tax and interest
12 are imposed and collected. The county assessor shall report
13 these violations to the county treasurer with the delivery of
14 the tax roll, and the county treasurer shall be responsible for
15 making entries on the appropriate records indicating amounts
16 due and the dates of payment.

17 B. The secretary, any employee or any former
18 employee of the department or any other person subject to the
19 provisions of Section 7-38-12.1 NMSA 1978 who willfully
20 releases information in violation of that section, except as
21 provided in Section 7-38-4 NMSA 1978 or as part of a protest
22 proceeding as defined in Section 7-38-24 NMSA 1978, is guilty
23 of a misdemeanor and shall be fined not more than one thousand
24 dollars (\$1,000)."

25 SECTION 7. Section 7-38-17 NMSA 1978 (being Laws 1973,

.229609.4

underscored material = new
[bracketed material] = delete

1 Chapter 258, Section 57, as amended) is amended to read:

2 "7-38-17. CLAIMING EXEMPTIONS--REQUIREMENTS--PENALTIES.--

3 A. Subject to the requirements of Subsection E of
4 this section, head-of-family exemptions, veteran exemptions,
5 disabled veteran exemptions or veterans' organization
6 exemptions claimed and allowed in a tax year need not be
7 claimed for subsequent tax years if there is no change in
8 eligibility for the exemption nor any change in ownership of
9 the property against which the exemption was claimed. Head-of-
10 family, veteran and veterans' organization exemptions allowable
11 under this subsection shall be applied automatically by county
12 assessors in the subsequent tax years.

13 B. Other exemptions of real property specified
14 under Section 7-36-7 NMSA 1978 for nongovernmental entities
15 shall be claimed in order to be allowed. Once such exemptions
16 are claimed and allowed for a tax year, they need not be
17 claimed for subsequent tax years if there is no change in
18 eligibility. Exemptions allowable under this subsection shall
19 be applied automatically by county assessors in subsequent tax
20 years.

21 C. [~~Except as set forth in Subsection H of this~~
22 ~~section]~~ An exemption required to be claimed under this section
23 shall be applied for no later than thirty days after the
24 mailing of the county assessor's notices of valuation pursuant
25 to Section 7-38-20 NMSA 1978 in order for it to be allowed for

.229609.4

underscored material = new
~~[bracketed material] = delete~~

1 that tax year.

2 D. A person who has had an exemption applied to a
3 tax year and subsequently becomes ineligible for the exemption
4 because of a change in the person's status or a change in the
5 ownership of the property against which the exemption was
6 applied shall notify the county assessor of the loss of
7 eligibility for the exemption by the last day of February of
8 the tax year immediately following the year in which loss of
9 eligibility occurs.

10 E. Exemptions may be claimed by filing proof of
11 eligibility for the exemption with the county assessor. The
12 proof shall be in a form prescribed by regulation of the
13 department. Procedures for determining eligibility of
14 claimants for any exemption shall be prescribed by regulation
15 of the department, and these regulations shall include
16 provisions for requiring the veterans' services department to
17 issue certificates of eligibility for veteran and veterans'
18 organization exemptions in a form and with the information
19 required by the department. The regulations shall also include
20 verification procedures to assure that veteran exemptions in
21 excess of the amount authorized under Section 7-37-5 NMSA 1978
22 are not allowed as a result of multiple claiming in more than
23 one county or claiming against more than one property in a
24 single tax year.

25 F. The department shall consult and cooperate with

.229609.4

underscored material = new
[bracketed material] = delete

1 the veterans' services department in the development, adoption
2 and promulgation of regulations under Subsection E of this
3 section. The veterans' services department shall comply with
4 the promulgated regulations. The veterans' services department
5 shall collect a fee of five dollars (\$5.00) for the issuance of
6 a duplicate certificate of eligibility to a veteran or to a
7 veterans' organization.

8 G. A person who violates the provisions of this
9 section by intentionally claiming and receiving the benefit of
10 an exemption to which the person is not entitled or who fails
11 to comply with the provisions of Subsection D of this section
12 is guilty of a misdemeanor and shall be punished by a fine of
13 not more than one thousand dollars (\$1,000). A county assessor
14 or the assessor's employee who knowingly permits a claimant for
15 an exemption to receive the benefit of an exemption to which
16 the claimant is not entitled is guilty of a misdemeanor and
17 shall be punished by a fine of not more than one thousand
18 dollars (\$1,000) and shall also be automatically removed from
19 office or dismissed from employment upon conviction under this
20 subsection.

21 ~~[H. When a disabled veteran or the disabled~~
22 ~~veteran's unmarried surviving spouse provides proof of~~
23 ~~eligibility pursuant to Subsection E of this section, the~~
24 ~~disabled veteran or the disabled veteran's unmarried surviving~~
25 ~~spouse shall be allowed the exemption for the current tax year;~~

.229609.4

underscoring material = new
[bracketed material] = delete

1 ~~provided that the exemption shall not be allowed for property~~
2 ~~tax due for previous tax years.]"~~

3 SECTION 8. Section 7-38-17.1 NMSA 1978 (being Laws 1981,
4 Chapter 37, Section 68) is amended to read:

5 "7-38-17.1. PRESUMPTION OF NONRESIDENTIAL
6 CLASSIFICATION--DECLARATION OF RESIDENTIAL CLASSIFICATION.--

7 A. Property subject to valuation for property
8 taxation purposes for the 1982 and succeeding tax years is
9 presumed to be nonresidential and will be so recorded by the
10 appropriate valuation authority unless the property owner
11 declares the property to be residential. This declaration will
12 be made on a form prescribed by the ~~[division]~~ department,
13 signed by the owner or ~~[his]~~ the owner's agent and mailed to
14 the valuation authority not later than the last day of February
15 of the property tax year to which it applies. ~~[The form for~~
16 ~~the declaration shall be mailed by the valuation authority to~~
17 ~~property owners no later than January 31 of each property tax~~
18 ~~year and shall include the property owner's name and address~~
19 ~~and the description or identification of the property. It may~~
20 ~~be included as part of a preliminary notice of valuation form~~
21 ~~or any other similar form mailed to property owners during the~~
22 ~~appropriate time period.]~~ The valuation authority will take
23 reasonable steps to verify any such declaration. ~~[Once the~~
24 ~~declaration is accepted]~~ The valuation authority ~~[will]~~ shall
25 determine the tax classification of the property and make

.229609.4

underscored material = new
~~[bracketed material] = delete~~

1 appropriate entries on the valuation records. Declarations,
2 once accepted by the valuation authority, need not be made in
3 subsequent tax years if there is no change in the use of the
4 property.

5 B. No later than the last day of February of each
6 tax year, every owner of property subject to valuation for
7 property taxation purposes shall report to the appropriate
8 valuation authority as set out in Section 7-36-2 NMSA 1978
9 whenever the use of the property changes from residential to
10 nonresidential or from nonresidential to residential. This
11 report will be made on a form prescribed by the ~~[division]~~
12 department and will be signed by the owner of the property or
13 ~~[his]~~ the owner's agent.

14 C. Any person who violates Subsection A of this
15 section by declaring a property ~~[which]~~ that is nonresidential
16 to be residential or who violates Subsection B of this section
17 by failing to report a change of use from residential to
18 nonresidential shall be liable, for each tax year to which
19 declaration or failure to report applies, for:

20 (1) any additional taxes because of a
21 difference in tax rates imposed against residential and
22 nonresidential property;

23 (2) interest, calculated as provided under
24 Section 7-38-49 NMSA 1978, on any additional taxes determined
25 to be due under Paragraph (1) of this subsection; and

.229609.4

underscored material = new
[bracketed material] = delete

1 (3) a civil penalty of five percent of any
2 additional taxes determined to be due under Paragraph (1) of
3 this subsection.

4 D. Any person who violates Subsection A of this
5 section by declaring a property [~~which~~] that is nonresidential
6 to be residential with the intent to evade any tax or who
7 violates Subsection B of this section by refusing or failing to
8 report a change of use from residential to nonresidential with
9 the intent to evade any tax is guilty of a misdemeanor and
10 shall be punished by the imposition of a fine of not more than
11 one thousand dollars (\$1,000). Any director, employee of the
12 [~~division~~] department, county assessor or employee of any
13 assessor who knowingly records a property [~~which~~] that is
14 nonresidential to be residential is guilty of a misdemeanor and
15 shall be punished by a fine of not more than one thousand
16 dollars (\$1,000) and shall be automatically removed from office
17 or dismissed from employment upon conviction under this
18 subsection.

19 E. The civil penalties authorized in Subsection C
20 of this section shall be imposed and collected at the same time
21 and in the same manner that the tax and interest are imposed
22 and collected. The county treasurer is responsible for making
23 entries on the appropriate records indicating amounts due and
24 the date of payment."

25 SECTION 9. Section 7-38-20 NMSA 1978 (being Laws 1973,
.229609.4

underscoring material = new
[bracketed material] = delete

1 Chapter 258, Section 60, as amended) is amended to read:

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

4 A. By April 1 of each year, the county assessor
5 shall mail a notice in a form prescribed by the county assessor
6 to each property owner informing the property owner of the net
7 taxable value of the property owner's property that has been
8 valued for property taxation purposes by the assessor and other
9 related information as required by Subsection D of this
10 section.

11 B. By May 1 of each year, the department shall mail
12 a notice in a form prescribed by the department to each
13 property owner informing the property owner of the net taxable
14 value of the property owner's property that has been valued for
15 property taxation purposes by the department and other related
16 information as required by Subsection D of this section.

17 C. Failure to receive the notice required by this
18 section does not invalidate the value set on the property, any
19 property tax based on that value or any subsequent procedure or
20 proceeding instituted for the collection of the tax.

21 D. The notice required by this section shall state,
22 at a minimum:

- 23 (1) the property owner's name and address;
24 (2) the description or identification of the
25 property valued;

.229609.4

1 (3) the classification of the property valued;

2 (4) the value set on the property for property
3 taxation purposes;

4 (5) the tax ratio;

5 (6) the taxable value of the property for the
6 previous and current tax years;

7 (7) the tax rate from the previous tax year;

8 (8) the amount of tax from the previous tax
9 year;

10 (9) with respect to residential property,
11 instructions for calculating an estimated tax for the current
12 tax year, which shall be prominently displayed on the front of
13 the notice, and a disclaimer for such instructions similar to
14 the following:

15 "The calculation of property tax may be higher or lower
16 than the property tax that will actually be imposed.";

17 (10) the amount of any exemptions allowed and
18 a statement of the net taxable value of the property after
19 deducting the exemptions;

20 (11) the allocations of net taxable values to
21 the governmental units;

22 (12) briefly, the eligibility requirements and
23 application procedures and deadline for claiming eligibility
24 for a limitation on increases in the valuation for property
25 taxation purposes of a single-family dwelling owned and

.229609.4

underscored material = new
[bracketed material] = delete

1 occupied by a person sixty-five years of age or older; and

2 (13) briefly, the procedures for protesting
3 the value determined for property taxation purposes,
4 classification, allocation of values to governmental units or
5 denial of a claim for an exemption or for the limitation on
6 increases in valuation for property taxation purposes.

7 E. The county assessor may mail the valuation
8 notice required pursuant to Subsection A of this section to
9 taxpayers with:

10 (1) the preceding tax year's property tax
11 bills if the net taxable value of the property has not changed
12 since the preceding taxable year. In this early mailing, the
13 county assessor shall provide clear notice to the taxpayer that
14 the valuation notice is for the succeeding tax year and that
15 the deadlines for protest of the value or classification of the
16 property apply to this mailing date; and

17 (2) a form that may be completed by the
18 taxpayer and returned to the county assessor to update the
19 taxpayer's mailing address or the classification of the
20 taxpayer's property or to claim an exemption or a limitation on
21 increases in valuation for property taxation purposes pursuant
22 to the Property Tax Code."

23 SECTION 10. Section 7-38-25 NMSA 1978 (being Laws 1973,
24 Chapter 258, Section 65, as amended) is amended to read:

25 "7-38-25. COUNTY VALUATION PROTESTS BOARDS--CREATION--

.229609.4

underscored material = new
[bracketed material] = delete

1 DUTIES--FUNDING.--

2 A. There is created in each county a "county
3 valuation protests board". Each board shall consist of three
4 voting members. Three alternates shall also be appointed to
5 serve as voting members in the absence of a voting member.

6 Voting members and alternates shall be appointed as follows:

7 (1) one member and one alternate shall be [~~a~~]
8 qualified [~~elector~~] electors of the county and shall be
9 appointed by the board of county commissioners for [~~a term~~]
10 terms of two years;

11 (2) one member and one alternate shall be [~~a~~]
12 qualified [~~elector~~] electors of the county, shall have
13 demonstrated experience in the field of valuation of property
14 and shall be appointed by the board of county commissioners for
15 [~~a term~~] terms of two years; and

16 (3) one member and one alternate shall be [~~a~~]
17 property appraisal [~~officer~~] officers employed by the
18 department, assigned by the [~~director~~] secretary, and the
19 member shall be the [~~chairman~~] chair of the board.

20 B. Members of the board and alternates appointed
21 under Paragraph (1) or (2) of Subsection A of this section
22 shall not hold any elective public office during the [~~term~~]
23 terms of their appointment, nor shall any such member or
24 alternate be employed by the state, a political subdivision or
25 a school district during the term of [~~his~~] the member's or

.229609.4

underscoring material = new
[bracketed material] = delete

1 alternate's appointment.

2 C. Vacancies occurring on the board shall be filled
3 by the authority making the original appointment and shall be
4 for the unexpired term of the vacated membership.

5 D. The county valuation protests board shall hear
6 and decide protests of determinations made by county assessors
7 and protested under Section 7-38-24 NMSA 1978.

8 E. Members of the board and alternates when serving
9 as voting members appointed under Paragraphs (1) and (2) of
10 Subsection A of this section shall be paid as independent
11 contractors at the rate of [~~eighty dollars (\$80.00)~~] four
12 hundred dollars (\$400) a day for each day of actual service in
13 2025 and for each subsequent year, that rate adjusted for
14 inflation by multiplying four hundred dollars (\$400) by a
15 fraction, the numerator of which is the consumer price index
16 ending during the prior tax year and the denominator of which
17 is the consumer price index ending in tax year 2025; the result
18 of the multiplication shall be rounded down to the nearest one
19 dollar (\$1.00), except that if the result would be an amount
20 less than the corresponding amount for the preceding taxable
21 year, then no adjustment shall be made. The payment of board
22 members and alternates and all other actual and direct expenses
23 incurred in connection with protest hearings shall be paid by
24 the department."

25 SECTION 11. APPLICABILITY.--

.229609.4

underscoring material = new
~~[bracketed material] = delete~~

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A. The provisions of Sections 1 through 3 and 5 of this act apply to property tax years beginning on or after January 1, 2025.

B. The provisions of Section 4 of this act apply to property tax years beginning on or after January 1, 2026.

SECTION 12. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.