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HOUSE BILL 487

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Danice Picraux

AN ACT

RELATING TO TAXATION; PROVIDING FOR PAYMENT OF AN ESTATE TAX
OWED IN THE FORM OF ONE OR MORE WORKS OF ART TO ANY STATE
MUSEUM, MONUMENT OR CULTURAL CENTER PURSUANT TO THE ART
ACCEPTANCE ACT.

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

Section 1. Section 7-7-16 NMSA 1978 (being Laws 1983,
Chapter 209, Section 2, as amended) is amended to read:

"7-7-16. DEFINITIONS.--As used in the Art Acceptance
Act:

A. "board" means the governing board of [~~regents of
the museum of New Mexico~~] a facility;

B. "decendent" means the deceased individual;

C. [~~"division" or~~] "department" means the taxation
and revenue department, the secretary of taxation and revenue

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[bracketed material] = delete

1 or any employee of the department exercising authority lawfully
2 delegated to that employee by the secretary;

3 D. [~~"museum" means the museum of New Mexico~~]
4 "facility" means a state museum, monument or cultural center;

5 E. "personal representative" means the executor or
6 administrator of a decedent or, if no executor or administrator
7 is appointed, qualified and acting, any person who has
8 possession of any property of the decedent; and

9 F. "work of art" includes any painting, drawing,
10 print, photograph, sculpture, carving, textile, basketry,
11 artifact, natural specimen, rare book, authors' papers, objects
12 of historical or technical interest or other article of
13 intrinsic cultural value."

14 Section 2. Section 7-7-18 NMSA 1978 (being Laws 1983,
15 Chapter 209, Section 4) is amended to read:

16 "7-7-18. PROCEDURE FOR PAYMENT IN WORKS OF ART.--

17 A. The personal representative desiring to pay all
18 or part of an estate tax owed the state in the form of one or
19 more works of art shall first obtain an appraisal of the work
20 acceptable to the federal internal revenue service and shall
21 then notify the [~~museum~~] facility director in writing of the
22 desire to offer the work to the [~~museum~~] facility. The board
23 shall, within a reasonable period of time and upon the
24 recommendation of the [~~museum~~] facility director, notify the
25 personal representative and the [~~division~~] department in

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1 writing as to whether in the judgment of the board it would be
2 advantageous to the state to accept the one or more works of
3 art as payment or partial payment for the estate tax. The
4 board's decision shall be final and not appealable.

5 B. Acceptance of a work of art shall be deemed
6 advantageous to the state if its acceptance meets the following
7 criteria:

8 (1) it encourages growth of the [~~museum's~~]
9 facility's collections by the addition of significant and
10 original works of art;

11 (2) it furthers the preservation and
12 understanding of the arts traditions [~~which exist in~~] and
13 cultural history of New Mexico;

14 (3) it furthers the appreciation of arts and
15 cultures by the people of New Mexico; or

16 (4) it is compatible with the standards and
17 [~~collections~~] collecting policies of the [~~museum~~] facility."

18 Section 3. Section 7-7-19 NMSA 1978 (being Laws 1983,
19 Chapter 209, Section 5) is amended to read:

20 "7-7-19. AGREEMENT ON VALUATION.--

21 A. If the board finds that it would be advantageous
22 for the state to accept payment in one or more works of art as
23 payment or partial payment for the estate tax, the personal
24 representative shall, as a condition of state acceptance of
25 this method of payment, forward a copy of the proposed

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1 valuation to the [~~division~~] department. The [~~division~~]
2 department shall have forty-five days from the date of the
3 notification of the proposed valuation to object to that
4 valuation.

5 B. If the [~~division~~] department objects to the
6 proposed valuation, it shall set forth the objection in writing
7 and forward it to the personal representative and provide a
8 copy to the board. The personal representative may take into
9 account the [~~division's~~] department's objections and submit a
10 new valuation for the [~~division's~~] department's approval. If
11 the [~~division~~] department rejects the new valuation within
12 forty-five days of its submission, the state shall be deemed
13 not to accept the proposed method of payment in works of art.

14 C. If the [~~division~~] department does not object to
15 a submitted valuation of a work of art within forty-five days
16 of its submission, the state shall be deemed to have accepted
17 the work of art for the [~~museum~~] facility's collection as
18 complete or partial payment of the estate tax owed and the
19 board shall assume title to that work of art as soon as
20 practicable."

21 Section 4. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2006.