

SENATE BILL 186

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

INTRODUCED BY

Peter Wirth and George K. Muñoz

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO PROPERTY TAX; CREATING A SPECIAL METHOD OF VALUATION FOR CERTAIN MULTIFAMILY HOUSING.

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

SECTION 1. Section 7-36-15 NMSA 1978 (being Laws 1975, Chapter 165, Section 2, as amended) is amended to read:

"7-36-15. METHODS OF VALUATION FOR PROPERTY TAXATION PURPOSES--GENERAL PROVISIONS.--

.230025.3AIC March 5, 2025 (11:05am)

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A. Property subject to valuation for property taxation purposes under this article of the Property Tax Code shall be valued by the methods required by this article of the Property Tax Code whether the determination of value is made by the department or the county assessor. The same or similar methods of valuation shall be used for valuation of the same or similar kinds of property for property taxation purposes.

B. Unless a method or methods of valuation are authorized in Sections 7-36-20 through ~~[7-36-33]~~ 7-36-34 NMSA 1978, the value of property for property taxation purposes shall be its market value as determined by application of the sales of comparable property, income or cost methods of valuation or any combination of these methods. In using any of the methods of valuation authorized by this subsection, the valuation authority:

(1) shall apply generally accepted appraisal techniques; and

(2) in determining the market value of residential housing, shall consider any decrease in the value that would be realized by the owner in a sale of the property because of the effects of any affordable housing subsidy, covenant or encumbrance imposed pursuant to a federal, state or local affordable housing program that restricts the future use of the property or the resale price of the property or would otherwise prohibit the owner from fully ~~[benefitting]~~

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benefiting from any enhanced value of the property. As used in this paragraph:

(a) "subsidy, covenant or encumbrance imposed pursuant to a federal, state or local affordable housing program" includes those imposed by a nonprofit entity approved by a governmental entity as a qualifying grantee pursuant to the Affordable Housing Act; and

(b) "residential housing" means any building, structure or portion thereof that is primarily occupied, or designed or intended primarily for occupancy, as a residence by one or more households and any real property that is offered for sale or lease for the construction or location thereon of such a building, structure or portion thereof.

"Residential housing" includes congregate housing, manufactured homes, housing intended to provide or providing transitional or temporary housing for homeless persons and common health care, kitchen, dining, recreational and other facilities primarily for use by residents of a residential housing project.

C. Dams, reservoirs, tanks, canals, irrigation wells, installed irrigation pumps, stock-watering wells and pumps, similar structures and equipment used for irrigation or stock-watering purposes, water rights and private roads shall not be valued separately from the land they serve. The foregoing improvements and rights shall be considered as appurtenances to the land they serve, and their value shall be

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included in the determination of value of the land.

D. The department shall adopt regulations to implement the methods of valuation authorized in this article of the Property Tax Code."

SECTION 2. A new section of the Property Tax Code, Section 7-36-34 NMSA 1978, is enacted to read:

"7-36-34. [NEW MATERIAL] SPECIAL METHOD OF VALUATION-- CERTAIN RESIDENTIAL MULTIFAMILY HOUSING.--

A. Multifamily housing shall be valued at its current and correct value in accordance with the provisions of the Property Tax Code Sfl1→, ~~except as provided in Subsection B of this section; provided that~~←Sfl1 :

(1) any increase in value over the prior year shall be limited as provided in Section 7-36-21.2 1978;

STBTC→~~or~~←STBTC

(2) the STBTC→~~per-unit~~←STBTC value of a multifamily housing complex in a tax year shall not exceed an amount equal to Sfl1→~~the greater of:~~←Sfl1

Sfl1→(a)←Sfl1 the total property value STBTC→~~divided by the number of units in the multifamily housing,~~←STBTC multiplied by forty percent Sfl1→; ~~or~~

(b) for multifamily housing for which a final certificate of occupancy was issued by the applicable local government prior to January 1, 2024, the value as of January 1, 2024 as reflected on the notice of value from the

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county for the 2024 tax year and increased in accordance with  
Section 7-36-21.2 NMSA 1978←Sf11 ; and

(3) no value shall be attributed to amenities  
or ancillary improvements to the property other than  
multifamily housing units.

Sf11→~~B. Subject to the provisions of Paragraphs (1)  
and (2) of Subsection A of this section, the current and  
correct value of multifamily housing constructed in the year  
immediately prior to a tax year shall be the lower of the:~~←Sf11

Sf11→B. For newly constructed multifamily housing  
for which the applicable local government issues a final  
certificate of occupancy in the year immediately prior to the  
applicable tax year, the total property value used in the  
calculation made pursuant to Subparagraph (a) of Paragraph (2)  
of Subsection A of this section shall be the lower of:←Sf11

(1) current and correct value; or

(2) the actual costs of construction of the  
multifamily housing and the actual costs of the land on which  
the multifamily housing is located. The property owner of the  
multifamily housing shall submit evidence of actual costs to  
the county assessor of the county in which the multifamily  
housing is located in a form and manner as required by the  
county assessor.

STBTC→C. Within ninety days of the date the  
applicable local government issues the final certificate of

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occupancy for the multifamily housing, the owner of multifamily housing valued pursuant to this section shall file with the county assessor an affidavit in a form approved by the department and signed by the owner of the multifamily housing. The affidavit shall include the following information, which shall only be used for analytical and statistical purposes in the application of appraisal methods:

- (1) the complete name of the owner;
- (2) the legal description of the real property on which the multifamily housing is located; and
- (3) the full cost of development of the property, including the cost of the land.

D. Upon receipt of the affidavit, the county assessor shall place the date of receipt on the original affidavit and on a copy of the affidavit. The county assessor shall retain the original affidavit as a confidential record and as proof of compliance and shall return the copy marked with the date of receipt to the person presenting the affidavit. The county assessor shall index the affidavit in a manner that permits cross-referencing to other records in the assessor's office pertaining to the specific property described in the affidavit. The affidavit and its contents shall not be part of the valuation record of the county assessor. ←STBTC

STBTC → ~~C.~~ ←STBTC STBTC → E. ←STBTC As used in this

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section, "multifamily housing" means residential property with five or more units that are regularly rented or leased, or available to rent or lease, to tenants pursuant to a written lease for a term of thirty days or longer."

**SECTION 3. APPLICABILITY.**--The provisions of this act apply to the 2026 and subsequent property tax years.

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