

1 SENATE BILL 192

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Micaelita Debbie O'Malley and Harold Pope

5
6
7
8
9
10 AN ACT

11 RELATING TO PROPERTY TAX; AMENDING AND ENACTING SECTIONS OF THE
12 PROPERTY TAX CODE; AMENDING CERTAIN PROPERTY TAX EXEMPTIONS FOR
13 VETERANS TO REFLECT CHANGES MADE TO THE EXEMPTIONS PURSUANT TO
14 CONSTITUTIONAL AMENDMENTS APPROVED BY VOTERS AT THE NOVEMBER 5,
15 2024 GENERAL ELECTION; PROVIDING THAT PROPERTY TAX EXEMPTIONS
16 FOR A DISABLED VETERAN OR DISABLED VETERAN'S SURVIVING SPOUSE
17 MAY BE TRANSFERRED IN THE SAME TAX YEAR BY WRITTEN REQUEST TO
18 THE COUNTY ASSESSOR; PROVIDING THAT A LIMITATION ON INCREASES
19 IN THE VALUATION OF RESIDENTIAL PROPERTY APPLIES TO CERTAIN
20 PHYSICAL IMPROVEMENTS; PROVIDING AN ADMINISTRATIVE PENALTY FOR
21 THE FAILURE TO REPORT IN A TIMELY MANNER AFFIDAVITS FOR
22 PROPERTY TRANSFERS; REMOVING THE REQUIREMENT THAT A FORM
23 DECLARING A PROPERTY AS RESIDENTIAL BE MAILED TO THE PROPERTY
24 OWNER; AMENDING FORM REQUIREMENTS FOR NOTICES OF VALUATION SENT
25 TO PROPERTY OWNERS; INCREASING THE RATE OF PAY FOR COUNTY

.229611.2

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

underscored material = new
[bracketed material] = delete

1 VALUATION PROTESTS BOARD MEMBERS AND ADJUSTING IT FOR
2 INFLATION; CLARIFYING REVENUE STREAMS OF THE COUNTY PROPERTY
3 VALUATION FUND; PROVIDING AN ADMINISTRATIVE PENALTY; DECLARING
4 AN EMERGENCY.

5
6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

9 "7-36-21.2. LIMITATION ON INCREASES IN VALUATION OF
10 RESIDENTIAL PROPERTY.--

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

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

23 (2) any physical improvements [~~except for~~
24 ~~solar energy system installations~~] made to the property during
25 the year immediately prior to the tax year or omitted in a

.229611.2

underscoring material = new
[bracketed material] = delete

1 prior tax year, except for:

2 (a) a solar energy system installation;

3 or

4 (b) reproduction of physical

5 improvements destroyed by a declared state disaster or

6 emergency; or

7 (3) valuation of a residential property in any
8 tax year in which:

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

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

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

21 ~~[C. To assure that the values of residential~~
22 ~~property for property taxation purposes are at current and~~
23 ~~correct values in all counties prior to application of the~~
24 ~~limitation in Subsection A of this section, the department~~
25 ~~shall determine for the 2000 tax year the sales ratio pursuant~~

.229611.2

underscored material = new
[bracketed material] = delete

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

21 ~~D.]~~ C. The provisions of this section do not apply
22 to residential property for any tax year in which the property
23 is subject to the valuation limitation in Section 7-36-21.3
24 NMSA 1978.

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

.229611.2

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

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

5 ~~[(1)]~~ (a) to a trustee for the
6 beneficial use of the spouse of the transferor or the surviving
7 spouse of a deceased transferor;

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

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

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

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

22 ~~[(6)]~~ (f) for the purpose of quieting
23 the title to real property or resolving a disputed location of
24 a real property boundary;

25 ~~[(7)]~~ (g) to a revocable trust by the

underscored material = new
[bracketed material] = delete

1 transferor with the transferor, the transferor's spouse or a
2 child of the transferor as beneficiary; or

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

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

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

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

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

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

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

25 ~~[(2)]~~ (b) a dark-colored water tank

underscored material = new
[bracketed material] = delete

1 exposed to sunlight; or

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

3 SECTION 2. 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~~

.229611.2

underscoring 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.

.229611.2

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, "veteran" means an
19 individual who:

20 (1) has been honorably discharged from
21 membership in the armed forces of the United States; and

22 (2) except as provided in Subsection G of this
23 section, served in the armed forces of the United States on
24 active duty continuously for ninety days.

25 ~~[D. For the purposes of Subsection C of this~~

underscored material = new
[bracketed material] = delete

1 ~~section]~~ G. A person who would otherwise be entitled to status
2 as a veteran except for failure to have served in the armed
3 forces continuously for ninety days is considered to have met
4 that qualification if the person served for less than ninety
5 days and the reason for not having served for ninety days was a
6 discharge brought about by service-connected disablement.

7 ~~[E.]~~ H. For the purposes of Subsection ~~[G]~~ F of
8 this section, a person has been "honorably discharged" unless
9 the person received either a dishonorable discharge or a
10 discharge for misconduct.

11 ~~[F.]~~ I. For the purposes of this section, a person
12 whose civilian service has been recognized as service in the
13 armed forces of the United States under federal law and who has
14 been issued a discharge certificate by a branch of the armed
15 forces of the United States shall be considered to have served
16 in the armed forces of the United States."

17 **SECTION 3.** Section 7-37-5.1 NMSA 1978 (being Laws 2000,
18 Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1, as
19 amended) is amended to read:

20 "7-37-5.1. DISABLED VETERAN EXEMPTION.--

21 A. As used in this section:

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

24 (a) has been honorably discharged from
25 membership in the armed forces of the United States or has

.229611.2

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

1 received a discharge certificate from a branch of the armed
2 forces of the United States for civilian service recognized
3 pursuant to federal law as service in the armed forces of the
4 United States; and

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

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

11 B. The property of a disabled veteran, including
12 joint or community property of the veteran and the veteran's
13 spouse, is exempt from property taxation ~~[if it]~~ in an amount
14 that shall be based on the percentage of the veteran's
15 disability as determined by federal law; provided that the
16 property is occupied by the disabled veteran as the veteran's
17 principal place of residence. Property held in a grantor trust
18 established under Sections 671 through 677 of the Internal
19 Revenue Code of 1986, as those sections may be amended or
20 renumbered, by a disabled veteran or the veteran's surviving
21 spouse is also exempt from property taxation if the property
22 otherwise meets the requirements for exemption in this
23 subsection or Subsection C of this section.

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

.229611.2

underscored material = new
[bracketed material] = delete

1 (1) the surviving spouse and the disabled
2 veteran were married at the time of the disabled veteran's
3 death; and

4 (2) the surviving spouse continues to occupy
5 the property continuously after the disabled veteran's death as
6 the spouse's principal place of residence.

7 D. Upon the transfer of the principal place of
8 residence of a disabled veteran or of a surviving spouse of a
9 disabled veteran entitled to and granted a disabled veteran
10 exemption, the disabled veteran or the surviving spouse may
11 choose to:

12 (1) maintain the exemption for that residence
13 for the remainder of the year, even if the residence is
14 transferred during the year; or

15 (2) remove the exemption for that residence
16 for the current tax year and apply it to the disabled veteran's
17 or the disabled veteran's surviving spouse's new principal
18 place of residence, regardless of whether the exemption was
19 applied for and claimed within thirty days of the mailing of
20 the county assessor's notice of valuation made pursuant to the
21 provisions of Section 7-38-20 NMSA 1978. To transfer the
22 exemption, the disabled veteran or the disabled veteran's
23 surviving spouse shall, no later than thirty days following the
24 change of ownership, make a written transfer request to the
25 county assessor to remove the exemption from the prior

.229611.2

underscored material = new
[bracketed material] = delete

1 principal place of residence and apply it to the new principal
2 place of residence.

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

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

8 G. The veterans' services department shall assist
9 the department and the county assessors in determining which
10 veterans qualify for the disabled veteran exemption."

11 SECTION 4. Section 7-38-12.2 NMSA 1978 (being Laws 2003,
12 Chapter 118, Section 3) is amended to read:

13 "7-38-12.2. PENALTIES--CRIMINAL--ADMINISTRATIVE---

14 A. A person who intentionally refuses to make a
15 required report within the time period specified under the
16 provisions of Section 7-38-12.1 NMSA 1978 or who knowingly
17 makes a false statement on an affidavit required under the
18 provisions of Section 7-38-12.1 NMSA 1978:

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

22 (2) may be assessed an administrative penalty
23 by the county assessor not to exceed one thousand dollars
24 (\$1,000). Each county assessor shall publish electronically
25 the amount that shall be assessed according to the valuation of

.229611.2

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

1 the property. This penalty shall be imposed and collected at
2 the same time and in the same manner that the tax and interest
3 are imposed and collected. The county assessor shall report
4 these violations to the county treasurer with the delivery of
5 the tax roll, and the county treasurer shall be responsible for
6 making entries on the appropriate records indicating amounts
7 due and the dates of payment.

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

16 SECTION 5. Section 7-38-17 NMSA 1978 (being Laws 1973,
17 Chapter 258, Section 57, as amended) is amended to read:

18 "7-38-17. CLAIMING EXEMPTIONS--REQUIREMENTS--PENALTIES.--

19 A. Subject to the requirements of Subsection E of
20 this section, head-of-family exemptions, veteran exemptions,
21 disabled veteran exemptions or veterans' organization
22 exemptions claimed and allowed in a tax year need not be
23 claimed for subsequent tax years if there is no change in
24 eligibility for the exemption nor any change in ownership of
25 the property against which the exemption was claimed. Head-of-

.229611.2

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

1 family, veteran and veterans' organization exemptions allowable
2 under this subsection shall be applied automatically by county
3 assessors in the subsequent tax years.

4 B. Other exemptions of real property specified
5 under Section 7-36-7 NMSA 1978 for nongovernmental entities
6 shall be claimed in order to be allowed. Once such exemptions
7 are claimed and allowed for a tax year, they need not be
8 claimed for subsequent tax years if there is no change in
9 eligibility. Exemptions allowable under this subsection shall
10 be applied automatically by county assessors in subsequent tax
11 years.

12 C. ~~[Except as set forth in Subsection H of this~~
13 ~~section]~~ An exemption required to be claimed under this section
14 shall be applied for no later than thirty days after the
15 mailing of the county assessor's notices of valuation pursuant
16 to Section 7-38-20 NMSA 1978 in order for it to be allowed for
17 that tax year.

18 D. A person who has had an exemption applied to a
19 tax year and subsequently becomes ineligible for the exemption
20 because of a change in the person's status or a change in the
21 ownership of the property against which the exemption was
22 applied shall notify the county assessor of the loss of
23 eligibility for the exemption by the last day of February of
24 the tax year immediately following the year in which loss of
25 eligibility occurs.

.229611.2

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

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

16 F. The department shall consult and cooperate with
17 the veterans' services department in the development, adoption
18 and promulgation of regulations under Subsection E of this
19 section. The veterans' services department shall comply with
20 the promulgated regulations. The veterans' services department
21 shall collect a fee of five dollars (\$5.00) for the issuance of
22 a duplicate certificate of eligibility to a veteran or to a
23 veterans' organization.

24 G. A person who violates the provisions of this
25 section by intentionally claiming and receiving the benefit of

.229611.2

underscored material = new
[bracketed material] = delete

1 an exemption to which the person is not entitled or who fails
2 to comply with the provisions of Subsection D of this section
3 is guilty of a misdemeanor and shall be punished by a fine of
4 not more than one thousand dollars (\$1,000). A county assessor
5 or the assessor's employee who knowingly permits a claimant for
6 an exemption to receive the benefit of an exemption to which
7 the claimant is not entitled is guilty of a misdemeanor and
8 shall be punished by a fine of not more than one thousand
9 dollars (\$1,000) and shall also be automatically removed from
10 office or dismissed from employment upon conviction under this
11 subsection.

12 ~~[H. When a disabled veteran or the disabled~~
13 ~~veteran's unmarried surviving spouse provides proof of~~
14 ~~eligibility pursuant to Subsection E of this section, the~~
15 ~~disabled veteran or the disabled veteran's unmarried surviving~~
16 ~~spouse shall be allowed the exemption for the current tax year;~~
17 ~~provided that the exemption shall not be allowed for property~~
18 ~~tax due for previous tax years.]"~~

19 SECTION 6. Section 7-38-17.1 NMSA 1978 (being Laws 1981,
20 Chapter 37, Section 68) is amended to read:

21 "7-38-17.1. PRESUMPTION OF NONRESIDENTIAL
22 CLASSIFICATION--DECLARATION OF RESIDENTIAL CLASSIFICATION.--

23 A. Property subject to valuation for property
24 taxation purposes for the 1982 and succeeding tax years is
25 presumed to be nonresidential and will be so recorded by the

.229611.2

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

1 appropriate valuation authority unless the property owner
2 declares the property to be residential. This declaration will
3 be made on a form prescribed by the ~~[division]~~ department,
4 signed by the owner or ~~[his]~~ the owner's agent and mailed to
5 the valuation authority not later than the last day of February
6 of the property tax year to which it applies. ~~[The form for~~
7 ~~the declaration shall be mailed by the valuation authority to~~
8 ~~property owners no later than January 31 of each property tax~~
9 ~~year and shall include the property owner's name and address~~
10 ~~and the description or identification of the property. It may~~
11 ~~be included as part of a preliminary notice of valuation form~~
12 ~~or any other similar form mailed to property owners during the~~
13 ~~appropriate time period.]~~ The valuation authority will take
14 reasonable steps to verify any such declaration. ~~[Once the~~
15 ~~declaration is accepted]~~ The valuation authority ~~[will]~~ shall
16 determine the tax classification of the property and make
17 appropriate entries on the valuation records. Declarations,
18 once accepted by the valuation authority, need not be made in
19 subsequent tax years if there is no change in the use of the
20 property.

21 B. No later than the last day of February of each
22 tax year, every owner of property subject to valuation for
23 property taxation purposes shall report to the appropriate
24 valuation authority as set out in Section 7-36-2 NMSA 1978
25 whenever the use of the property changes from residential to

.229611.2

underscoring material = new
[bracketed material] = delete

1 nonresidential or from nonresidential to residential. This
2 report will be made on a form prescribed by the ~~[division]~~
3 department and will be signed by the owner of the property or
4 ~~[his]~~ the owner's agent.

5 C. Any person who violates Subsection A of this
6 section by declaring a property ~~[which]~~ that is nonresidential
7 to be residential or who violates Subsection B of this section
8 by failing to report a change of use from residential to
9 nonresidential shall be liable, for each tax year to which
10 declaration or failure to report applies, for:

11 (1) any additional taxes because of a
12 difference in tax rates imposed against residential and
13 nonresidential property;

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

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

20 D. Any person who violates Subsection A of this
21 section by declaring a property ~~[which]~~ that is nonresidential
22 to be residential with the intent to evade any tax or who
23 violates Subsection B of this section by refusing or failing to
24 report a change of use from residential to nonresidential with
25 the intent to evade any tax is guilty of a misdemeanor and

.229611.2

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

1 shall be punished by the imposition of a fine of not more than
2 one thousand dollars (\$1,000). Any director, employee of the
3 ~~[division]~~ department, county assessor or employee of any
4 assessor who knowingly records a property ~~[which]~~ that is
5 nonresidential to be residential is guilty of a misdemeanor and
6 shall be punished by a fine of not more than one thousand
7 dollars (\$1,000) and shall be automatically removed from office
8 or dismissed from employment upon conviction under this
9 subsection.

10 E. The civil penalties authorized in Subsection C
11 of this section shall be imposed and collected at the same time
12 and in the same manner that the tax and interest are imposed
13 and collected. The county treasurer is responsible for making
14 entries on the appropriate records indicating amounts due and
15 the date of payment."

16 SECTION 7. Section 7-38-20 NMSA 1978 (being Laws 1973,
17 Chapter 258, Section 60, as amended) is amended to read:

18 "7-38-20. COUNTY ASSESSOR AND DEPARTMENT TO MAIL NOTICES
19 OF VALUATION.--

20 A. By April 1 of each year, the county assessor
21 shall mail a notice in a form prescribed by the county assessor
22 to each property owner informing the property owner of the net
23 taxable value of the property owner's property that has been
24 valued for property taxation purposes by the assessor and other
25 related information as required by Subsection D of this

.229611.2

underscored material = new
[bracketed material] = delete

1 section.

2 B. By May 1 of each year, the department shall mail
3 a notice in a form prescribed by the department to each
4 property owner informing the property owner of the net taxable
5 value of the property owner's property that has been valued for
6 property taxation purposes by the department and other related
7 information as required by Subsection D of this section.

8 C. Failure to receive the notice required by this
9 section does not invalidate the value set on the property, any
10 property tax based on that value or any subsequent procedure or
11 proceeding instituted for the collection of the tax.

12 D. The notice required by this section shall state,
13 at a minimum:

- 14 (1) the property owner's name and address;
- 15 (2) the description or identification of the
16 property valued;
- 17 (3) the classification of the property valued;
- 18 (4) the value set on the property for property
19 taxation purposes;
- 20 (5) the tax ratio;
- 21 (6) the taxable value of the property for the
22 previous and current tax years;
- 23 (7) the tax rate from the previous tax year;
- 24 (8) the amount of tax from the previous tax
25 year;

.229611.2

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

1 (9) with respect to residential property,
2 instructions for calculating an estimated tax for the current
3 tax year, which shall be prominently displayed on the front of
4 the notice, and a disclaimer for such instructions similar to
5 the following:

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

8 (10) the amount of any exemptions allowed and
9 a statement of the net taxable value of the property after
10 deducting the exemptions;

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

13 (12) briefly, the eligibility requirements and
14 application procedures and deadline for claiming eligibility
15 for a limitation on increases in the valuation for property
16 taxation purposes of a single-family dwelling owned and
17 occupied by a person sixty-five years of age or older; and

18 (13) briefly, the procedures for protesting
19 the value determined for property taxation purposes,
20 classification, allocation of values to governmental units or
21 denial of a claim for an exemption or for the limitation on
22 increases in valuation for property taxation purposes.

23 E. The county assessor may mail the valuation
24 notice required pursuant to Subsection A of this section to
25 taxpayers with:

.229611.2

underscored material = new
[bracketed material] = delete

1 (1) the preceding tax year's property tax
2 bills if the net taxable value of the property has not changed
3 since the preceding taxable year. In this early mailing, the
4 county assessor shall provide clear notice to the taxpayer that
5 the valuation notice is for the succeeding tax year and that
6 the deadlines for protest of the value or classification of the
7 property apply to this mailing date; and

8 (2) a form that may be completed by the
9 taxpayer and returned to the county assessor to update the
10 taxpayer's mailing address or the classification of the
11 taxpayer's property or to claim an exemption or a limitation on
12 increases in valuation for property taxation purposes pursuant
13 to the Property Tax Code."

14 SECTION 8. Section 7-38-25 NMSA 1978 (being Laws 1973,
15 Chapter 258, Section 65, as amended) is amended to read:

16 "7-38-25. COUNTY VALUATION PROTESTS BOARDS--CREATION--
17 DUTIES--FUNDING.--

18 A. There is created in each county a "county
19 valuation protests board". Each board shall consist of three
20 voting members. Three alternates shall also be appointed to
21 serve as voting members in the absence of a voting member.
22 Voting members and alternates shall be appointed as follows:

23 (1) one member and one alternate shall be [a]
24 qualified [~~elector~~] electors of the county and shall be
25 appointed by the board of county commissioners for [~~a term~~]

.229611.2

underscored material = new
[bracketed material] = delete

1 terms of two years;

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

7 (3) one member and one alternate shall be [~~a~~]
8 property appraisal [~~officer~~] officers employed by the
9 department, assigned by the [~~director~~] secretary, and the
10 member shall be the [~~chairman~~] chair of the board.

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

18 C. Vacancies occurring on the board shall be filled
19 by the authority making the original appointment and shall be
20 for the unexpired term of the vacated membership.

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

24 E. Members of the board and alternates when serving
25 as voting members appointed under Paragraphs (1) and (2) of

.229611.2

underscored material = new
[bracketed material] = delete

1 Subsection A of this section shall be paid as independent
2 contractors at the rate of [~~eighty dollars (\$80.00)~~] four
3 hundred dollars (\$400) a day for each day of actual service in
4 2025 and for each subsequent year, that rate adjusted for
5 inflation by multiplying four hundred dollars (\$400) by a
6 fraction, the numerator of which is the consumer price index
7 ending during the prior tax year and the denominator of which
8 is the consumer price index ending in tax year 2025; the result
9 of the multiplication shall be rounded down to the nearest one
10 dollar (\$1.00), except that if the result would be an amount
11 less than the corresponding amount for the preceding taxable
12 year, then no adjustment shall be made. The payment of board
13 members and alternates and all other actual and direct expenses
14 incurred in connection with protest hearings shall be paid by
15 the department."

16 SECTION 9. Section 7-38-38.1 NMSA 1978 (being Laws 1986,
17 Chapter 20, Section 116, as amended) is amended to read:

18 "7-38-38.1. RECIPIENTS OF REVENUE PRODUCED THROUGH AD
19 VALOREM LEVIES REQUIRED TO PAY COUNTIES ADMINISTRATIVE CHARGE
20 TO OFFSET COLLECTION COSTS.--

21 A. As used in this section:

22 (1) "revenue" means money for which a county
23 treasurer has the legal responsibility for collection and which
24 is owed to a revenue recipient as a result of an imposition
25 authorized by law of a rate expressed in mills per dollar or

.229611.2

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

1 dollars per thousands of dollars of net taxable value of
2 property, assessed value of property or a similar term,
3 including but not limited to money resulting from the
4 authorization of rates and impositions under Subsection B and
5 Paragraphs (1) and (2) of Subsection C of Section 7-37-7 NMSA
6 1978, special levies for special purposes and benefit
7 assessments, but the term does not include any money resulting
8 from the imposition of taxes imposed under the provisions of
9 the Oil and Gas Ad Valorem Production Tax Act, the Oil and Gas
10 Production Equipment Ad Valorem Tax Act or the Copper
11 Production Ad Valorem Tax Act or money resulting from
12 impositions under Paragraph (3) of Subsection C of Section
13 7-37-7 NMSA 1978; and

14 (2) "revenue recipient" means the state and
15 any of its political subdivisions, including charter schools,
16 but excluding institutions of higher education located in class
17 A counties and class B counties having more than three hundred
18 million dollars (\$300,000,000) valuation, that are authorized
19 by law to receive revenue.

20 B. Prior to the distribution to a revenue recipient
21 of revenue received by a county treasurer, the treasurer shall
22 deduct as an administrative charge an amount equal to one
23 percent of the revenue received.

24 C. The "county property valuation fund" is created
25 [All] as a nonreverting fund and shall consist of

.229611.2

underscored material = new
[bracketed material] = delete

1 appropriations, transfers, gifts, income from investment of the
2 fund, administrative charges deducted by the county treasurer
3 [~~shall be distributed to the county property valuation fund~~]
4 and all proceeds from the disposition or sale of any asset
5 purchased in whole or in part with money from the fund.

6 D. Expenditures from the county property valuation
7 fund shall be made pursuant to a property valuation program
8 presented by the county assessor and approved by the majority
9 of the county commissioners."

10 SECTION 10. APPLICABILITY.--

11 A. The provisions of Sections 1 and 2 of this act
12 apply to property tax years beginning on or after January 1,
13 2025.

14 B. The provisions of Section 3 of this act apply to
15 property tax years beginning on or after January 1, 2026.

16 SECTION 11. EMERGENCY.--It is necessary for the public
17 peace, health and safety that this act take effect immediately.