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SENATE MEMORIAL 45

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Mark Boitano

A MEMORIAL

REQUESTING THE TAXATION AND REVENUE DEPARTMENT AND THE INTERIM
REVENUE STABILIZATION AND TAX POLICY COMMITTEE TO STUDY THE
INEQUITIES CREATED BY THE STATUTORY PROVISIONS LIMITING
INCREASES IN VALUATION OF CERTAIN RESIDENTIAL PROPERTY.

WHEREAS, Section 7-36-21.2 NMSA 1978 provides for a limit
on increases in valuation for property tax purposes of three
percent per year for property that remains in the same
ownership but allows for radical changes in valuation whenever
property is transferred; and

WHEREAS, the statutorily mandated property valuations
process has created inequities in valuation between
substantially identical properties in the same county and has
increased the inequities among property tax values in different
counties; and

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1 WHEREAS, this system of property valuation gives a tax
2 advantage to persons able to remain in their homes while
3 putting at a disadvantage first-time home buyers and many
4 elderly home buyers and creates a hardship for persons who need
5 to relocate to another home; and

6 WHEREAS, the higher tax level resulting from the higher
7 valuation makes it difficult to develop affordable housing
8 projects and creates difficulty for some homeowners in meeting
9 monthly mortgage payments; and

10 WHEREAS, county assessors do not uniformly use sales price
11 disclosure data in revaluing property upon transfer but employ
12 various individual approaches and the differing valuation
13 standards make it hard to determine if assessors are valuing
14 all properties fairly; and

15 WHEREAS, there is no clearly defined standard of "current
16 and correct" value by which to judge the compliance of the
17 various county assessors;

18 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
19 OF NEW MEXICO that the property tax division of the taxation
20 and revenue department undertake a review of the assessment
21 process as it is actually carried out by county assessors and
22 the status of "current and correct" values in all counties of
23 the state and present a report no later than September 15, 2007
24 to the interim revenue stabilization and tax policy committee
25 on the presence or absence of inequities in property tax

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1 valuation in New Mexico; and

2 BE IT FURTHER RESOLVED that the interim revenue
3 stabilization and tax policy committee, using the report from
4 the taxation and revenue department, develop recommendations
5 for statutory changes to make the residential property
6 valuation system in New Mexico more equitable and present these
7 recommendations to the second session of the forty-eighth
8 legislature; and

9 BE IT FURTHER RESOLVED that copies of this memorial be
10 transmitted to the secretary of taxation and revenue and the
11 director of the legislative council service.

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