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SENATE BILL 516

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Linda M. Lopez

AN ACT

RELATING TO PROPERTY TAX; CHANGING THE NOTIFICATION PERIOD
AFTER WHICH NOTICE OF TAX DELINQUENCY IS PROVIDED; CHANGING THE
PERIOD BEFORE WHICH PROPERTY IS LISTED AS TAX DELINQUENT;
INCREASING THE PERIOD BEFORE WHICH TAX DELINQUENT PROPERTY MAY
BE SOLD BY THE STATE.

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

Section 1. Section 7-38-51 NMSA 1978 (being Laws 1973,
Chapter 258, Section 91, as amended) is amended to read:

"7-38-51. NOTIFICATION TO PROPERTY OWNER OF DELINQUENT
PROPERTY TAXES.--

A. In respect to any tax that is delinquent for
more than thirty days as of June 30 of each year, the county
treasurer shall mail a notice of delinquency to:

- (1) the owner of the property as shown on the

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1 property tax schedule at the address of the owner as shown on
2 the most recent property tax schedule; and

3 (2) any person other than the owner to whom
4 the tax bill on the property was sent.

5 B. The notice required by this section shall be in
6 a form and contain the information prescribed by [~~division~~
7 department regulations and shall include at least the
8 following:

9 (1) a description of the property upon which
10 the property taxes are due;

11 (2) a statement of the amount of property
12 taxes due, the date on which they became delinquent, the rate
13 of accrual of interest and any penalties that may be charged;

14 (3) a statement that if the property taxes due
15 on real property are not paid within [~~three~~ four years from
16 the date of delinquency, the real property will be sold and a
17 deed issued by the [~~division~~ department]; and

18 (4) a statement that if property taxes due on
19 personal property are not paid, the personal property may be
20 seized and sold for taxes under authority of a demand warrant."

21 Section 2. Section 7-38-60 NMSA 1978 (being Laws 1973,
22 Chapter 258, Section 101, as amended) is amended to read:

23 "7-38-60. NOTIFICATION TO PROPERTY OWNER OF DELINQUENT
24 TAXES.--By June 10 of each year, the county treasurer shall
25 mail a notice to each property owner of property for which

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1 taxes have been delinquent for more than [~~two~~] three years.

2 The notice shall be in a form and contain the information
3 prescribed by department regulations and shall include the
4 following:

5 A. a description of the property upon which the
6 taxes are due;

7 B. a statement of the amount of property taxes due,
8 the date on which they became delinquent, the rate of accrual
9 of interest and any penalties or costs that may be charged;

10 C. a statement that the delinquent tax account on
11 real property will be transferred to the department for
12 collection;

13 D. a statement that if taxes due on real property
14 are not paid within [~~three~~] four years from the date of
15 delinquency, the real property will be sold and a deed issued;
16 and

17 E. a statement that if taxes due on personal
18 property are not paid, the personal property may be seized and
19 sold for taxes under authority of a demand warrant."

20 Section 3. Section 7-38-61 NMSA 1978 (being Laws 1973,
21 Chapter 258, Section 100, as amended) is amended to read:

22 "7-38-61. REAL PROPERTY TAXES DELINQUENT FOR MORE THAN
23 [~~TWO~~] THREE YEARS--TREASURER TO PREPARE DELINQUENCY LIST--
24 NOTATION ON PROPERTY TAX SCHEDULE.--

25 A. By July 1 of each year, the county treasurer

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1 shall prepare a property tax delinquency list of all real
2 property for which taxes have been delinquent for more than
3 [~~two~~] three years. The tax delinquency list shall contain the
4 information and be in a form prescribed and submitted by the
5 date required by department regulations. The county treasurer
6 shall record the tax delinquency list in the office of the
7 county clerk. There shall be no recording fee for recordation
8 of the tax delinquency list. The updated final property tax
9 sale list shall be recorded with the office of the county clerk
10 the day following the sale of the property. There shall be no
11 recording fee for recordation of the final property tax sale
12 list.

13 B. The county treasurer shall make a notation on
14 the property tax schedule indicating that the account has been
15 transferred to the department for collection at the time the
16 tax delinquency list is mailed to the department."

17 Section 4. Section 7-38-65 NMSA 1978 (being Laws 1973,
18 Chapter 258, Section 105, as amended) is amended to read:

19 "7-38-65. COLLECTION OF DELINQUENT TAXES ON REAL
20 PROPERTY--SALE OF REAL PROPERTY.--

21 A. If a lien exists by the operation of Section
22 7-38-48 NMSA 1978, the department may collect delinquent taxes
23 on real property by selling the real property on which the
24 taxes have become delinquent. The sale of real property for
25 delinquent taxes shall be in accordance with the provisions of

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1 the Property Tax Code. Real property may be sold for
2 delinquent taxes at any time after the expiration of [~~three~~
3 four years from the first date shown on the tax delinquency
4 list on which the taxes became delinquent. Real property shall
5 be offered for sale for delinquent taxes either within [~~four~~
6 five years after the first date shown on the tax delinquency
7 list on which the taxes became delinquent or, if the department
8 is barred by operation of law or by order of a court of
9 competent jurisdiction from offering the property for sale for
10 delinquent taxes within [~~four~~ five years after the first date
11 shown on the tax delinquency list on which the taxes became
12 delinquent, within one year from the time the department
13 determines that it is no longer barred from selling the
14 property, unless:

15 (1) all delinquent taxes, penalties, interest
16 and costs due are paid by 5:00 p.m. of the day prior to the
17 date of the sale; or

18 (2) an installment agreement for payment of
19 all delinquent taxes, penalties, [~~interests~~] interest and costs
20 due is entered into with the department by 5:00 p.m. of the day
21 prior to the date of the sale pursuant to Section 7-38-68 NMSA
22 1978.

23 B. Failure to offer property for sale within the
24 time prescribed by Subsection A of this section shall not
25 impair the validity or effect of any sale which does take

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1 place.

2 C. The time requirements of this section are
3 subject to the provisions of Section 7-38-83 NMSA 1978."

4 Section 5. Section 7-38-67 NMSA 1978 (being Laws 1973,
5 Chapter 258, Section 107, as amended) is amended to read:

6 "7-38-67. REAL PROPERTY SALE REQUIREMENTS.--

7 A. Real property shall not be sold for delinquent
8 taxes before the expiration of [~~three~~] four years from the
9 first date shown on the tax delinquency list on which the taxes
10 on the real property became delinquent.

11 B. Notice of the sale shall be published in a local
12 newspaper within the county where the real property is located
13 or, if there is no local county or municipal newspaper, then a
14 newspaper published in a county contiguous to or near the
15 county in which the real property is located, at least once a
16 week for the three weeks immediately preceding the week of the
17 sale. For more generalized notice, the department may choose
18 to publish notice of the sale also in a newspaper not published
19 within the county and of more general circulation. The notice
20 shall state the time and place of the sale and shall include a
21 description of the real property sufficient to permit its
22 identification and location by potential purchasers.

23 C. Real property shall be sold at public auction
24 either by the department or an auctioneer hired by the
25 department. The auction shall be held in the county where the

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1 real property is located at a time and place designated by the
2 department.

3 D. If the real property can be divided so as to
4 enable the department to sell only part of it and pay all
5 delinquent taxes, penalties, interest and costs, the department
6 may, with the consent of the owner, sell only a part of the
7 real property.

8 E. Before the sale, the department shall determine
9 a minimum sale price for the real property. In determining the
10 minimum price, the department shall consider the value of the
11 property owner's interest in the real property, the amount of
12 all delinquent taxes, penalties and interest for which it is
13 being sold and the costs. The minimum price shall not be less
14 than the total of all delinquent taxes, penalties, interest and
15 costs. Real property shall not be sold for less than the
16 minimum price unless no offer met the minimum price when it was
17 offered at an earlier public auction or the property is sold in
18 accordance with the provisions of Subsection H of this section.
19 A sale properly made under the authority of and in accordance
20 with the requirements of this section constitutes full payment
21 of all delinquent taxes, penalties and interest that are a lien
22 against the property at the time of sale, and the sale
23 extinguishes the lien.

24 F. Payment shall be made in full by the close of
25 the public auction before an offer may be deemed accepted by

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1 the department.

2 G. Real property not offered for sale may be
3 offered for sale at a later sale, but the requirements of this
4 section and Section 7-38-66 NMSA 1978 shall be met in
5 connection with each sale.

6 H. The board of trustees of a community land grant-
7 merced governed pursuant to the provisions of Chapter 49,
8 Article 1 NMSA 1978 or by statutes specific to the named land
9 grant-merced shall be allowed to match the highest bid at a
10 public auction, which shall entitle the board of trustees to
11 purchase the property for the amount bid if:

12 (1) the property is situated within the
13 boundaries of that land grant-merced as shown in the United
14 States patent to the grant;

15 (2) the bid covers all past taxes, penalties,
16 interest and costs due on the property; and

17 (3) the land becomes part of the common lands
18 of the land grant-merced."

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