

HOUSE BILL 174

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; ENABLING COUNTIES AND MUNICIPALITIES TO
ALLOW FOR THE SUSPENSION OF PROPERTY TAX VALUATION INCREASES
FOR PROPERTIES ON WHICH COMMERCIAL ENTERPRISES ARE DEVELOPED.

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

SECTION 1. [NEW MATERIAL] COMMERCIAL ENTERPRISE

DEVELOPMENT PROJECTS--SUSPENSION ON PROPERTY VALUATION FOR
PROPERTY TAX PURPOSES--COUNTY OR MUNICIPALITY ORDINANCE--
APPLICATION--DETERMINATION--NOTICE--APPEAL.--

A. The governing body of a county or municipality
may enact an ordinance that allows, for approved applicants,
ten-year suspensions on increases in valuation for property tax
purposes of the property on which commercial enterprises are
developed, starting in the year the commercial enterprise
development project begins. The governing body shall identify

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1 in the ordinance:

2 (1) the criteria required for a suspension on
3 increases in valuation of property, which include:

4 (a) that the enterprise will create jobs
5 and promote industry, trade or other economic activity; and

6 (b) any other criteria that the
7 governing body deems appropriate; and

8 (2) the entity within the county or
9 municipality to which a taxpayer denied the suspension may
10 appeal.

11 B. A taxpayer may apply to the county or
12 municipality that has enacted an ordinance in accordance with
13 Subsection A of this section, on a form and in the manner
14 prescribed by the county or municipality, for a suspension on
15 increases in valuation of the taxpayer's property if the
16 taxpayer:

17 (1) owns property in the county or
18 municipality; and

19 (2) plans to develop a commercial enterprise
20 on that property.

21 C. A county or municipality that has enacted an
22 ordinance in accordance with this section and that receives an
23 application for a suspension on increases in property valuation
24 shall:

25 (1) review the application; and

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1 (2) consider whether the commercial enterprise
2 proposed for development meets the criteria outlined in the
3 ordinance.

4 D. If a taxpayer that applies to a county or
5 municipality for a suspension on increases in valuation of the
6 taxpayer's property:

7 (1) demonstrates to the county's or
8 municipality's satisfaction that the commercial enterprise, as
9 it is proposed to be developed, meets the criteria outlined in
10 the ordinance, the county or municipality shall send to the
11 taxpayer and to the assessor of the county in which the
12 property is located a notice that:

13 (a) identifies the property and the
14 commercial enterprise development project;

15 (b) states that the project meets the
16 criteria for the limitation on increases in valuation provided
17 by this section; and

18 (c) identifies the year the project will
19 begin and the tax years to which the limitation applies; or

20 (2) does not demonstrate to the county's or
21 municipality's satisfaction that the commercial enterprise
22 development, as it is proposed to be developed, meets the
23 criteria outlined in the ordinance, the county or municipality
24 shall notify the taxpayer of that determination.

25 E. A taxpayer that applies for and is denied a

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1 suspension on increases in valuation of the taxpayer's property
2 in accordance with this section may appeal the denial to the
3 entity named in the county or municipal ordinance.

4 F. A county assessor who receives a notice in
5 accordance with Subsection D of this section shall, for ten tax
6 years beginning in the year the commercial enterprise
7 development project begins, assess the property at the value
8 considered its current and correct value in the tax year before
9 the project begins.

10 G. For the purpose of this section, "commercial
11 enterprise" includes a multi-unit residential property and
12 excludes a single-family residential property.