

HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 429

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

AN ACT

RELATING TO TAXATION; INCREASING THE INCOME LIMIT FOR
ELIGIBILITY FOR A LIMITATION ON PROPERTY TAX VALUATION OF A
DWELLING OCCUPIED BY A PERSON WHO IS SIXTY-FIVE YEARS OF AGE OR
OLDER OR DISABLED.

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

SECTION 1. Section 7-36-21.3 NMSA 1978 (being Laws 2000,
Chapter 21, Section 1, as amended) is amended to read:

"7-36-21.3. LIMITATION ON INCREASE IN VALUE FOR SINGLE-
FAMILY DWELLINGS OCCUPIED BY LOW-INCOME OWNERS WHO ARE SIXTY-
FIVE YEARS OF AGE OR OLDER OR DISABLED--REQUIREMENTS--
PENALTIES.--

~~[A. For the 2001 and subsequent tax years, the
valuation for property taxation purposes of a single-family
dwelling owned and occupied by a person who is sixty-five years~~

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1 of age or older and whose modified gross income, as defined in
2 the Income Tax Act, for the prior taxable year did not exceed
3 the greater of eighteen thousand dollars (\$18,000) or the
4 amount calculated pursuant to Subsection I of this section
5 shall not be greater than the valuation of the property for
6 property taxation purposes in the:

7 (1) ~~2001 tax year;~~

8 (2) ~~year in which the owner's sixty-fifth~~
9 ~~birthday occurs, if that is after 2001; or~~

10 (3) ~~tax year following the tax year in which~~
11 ~~an owner who turns sixty-five or is sixty-five years of age or~~
12 ~~older first owns and occupies the property, if that is after~~
13 ~~2001.~~

14 B. ~~For the 2009 and subsequent tax years, the~~
15 ~~valuation for property taxation purposes of a single-family~~
16 ~~dwelling owned and occupied by a person who is sixty-five years~~
17 ~~of age or older or disabled and whose modified gross income, as~~
18 ~~defined in the Income Tax Act, for the prior taxable year did~~
19 ~~not exceed the greater of thirty-two thousand dollars (\$32,000)~~
20 ~~or the amount calculated pursuant to Subsection I of this~~
21 ~~section shall not be greater than the valuation of the property~~
22 ~~for property taxation purposes in:~~

23 (1) ~~the 2009 tax year, if the person owns and~~
24 ~~occupies the property in the 2009 tax year;~~

25 (2) ~~the tax year in which the owner's~~

1 ~~sixty-fifth birthday occurs, if that is after 2009; or~~

2 ~~(3) the tax year following the tax year in~~
 3 ~~which an owner who is sixty-five years of age or older first~~
 4 ~~owns and occupies the property, if that is after 2009.~~

5 ~~G. For the 2003 and subsequent tax years, the~~
 6 ~~valuation for property taxation purposes of a single-family~~
 7 ~~dwelling owned and occupied by a person who is disabled and~~
 8 ~~whose modified gross income, as defined in the Income Tax Act,~~
 9 ~~for the prior taxable year did not exceed the greater of~~
 10 ~~eighteen thousand dollars (\$18,000) or the amount calculated~~
 11 ~~pursuant to Subsection I of this section shall not be greater~~
 12 ~~than the valuation of the property for property taxation~~
 13 ~~purposes in the:~~

14 ~~(1) 2003 tax year;~~

15 ~~(2) year in which the owner is determined to~~
 16 ~~be disabled, if that is after 2003; or~~

17 ~~(3) tax year following the tax year in which~~
 18 ~~an owner who is disabled or who is determined in that year to~~
 19 ~~be disabled first owns and occupies the property, if that is~~
 20 ~~after 2003.~~

21 ~~D. An owner who is entitled to a limitation in~~
 22 ~~valuation pursuant to more than one subsection of this section~~
 23 ~~may designate the subsection pursuant to which the limitation~~
 24 ~~shall be applied.~~

25 ~~E. The limitation of value specified in Subsections~~

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1 ~~A B and C of this section shall be claimed in order to be~~
2 ~~allowed. The limitations]~~

3 A. The valuation for property taxation purposes of
4 a single-family dwelling owned and occupied by a person who is
5 sixty-five years of age or older or disabled and whose modified
6 gross income for the prior taxable year did not exceed the
7 greater of thirty-five thousand dollars (\$35,000) or the amount
8 calculated pursuant to Subsection F of this section shall not
9 be greater than the valuation of the property for property
10 taxation purposes in the:

11 (1) tax year in which the owner's sixty-fifth
12 birthday occurs, if the owner owns and occupies that property;
13 or

14 (2) tax year following the tax year in which
15 an owner who is sixty-five years of age or older first owns and
16 occupies the property.

17 B. The limitation provided by this section may be
18 claimed by filing proof of eligibility with the county assessor
19 on an application form [for the limitation] furnished by the
20 assessor. The application form shall be designed by the
21 department and shall provide for proof of age or disability,
22 occupancy and income eligibility. An owner who applies for the
23 limitation of value specified in this section and files proof
24 of income eligibility for the three consecutive years
25 immediately prior to the tax year for which the application is

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1 made need not claim the limitation for subsequent tax years if
2 there is no change in eligibility. The county assessor shall
3 apply ~~[that]~~ the limitation automatically in subsequent tax
4 years until a change in eligibility occurs.

5 ~~[F.]~~ C. An owner who has claimed and been allowed
6 the limitation of value specified in this section for the three
7 consecutive tax years immediately prior to the ~~[2014]~~ 2020 tax
8 year ~~[need]~~ is not required to claim the limitation for
9 subsequent tax years if there is no change in eligibility,
10 unless the county assessor requests updated information on the
11 owner's modified gross income. The county assessor shall apply
12 ~~[that]~~ the limitation automatically in subsequent tax years
13 until a change in eligibility occurs.

14 ~~[G.]~~ D. A person who has had a limitation applied
15 to a tax year and subsequently becomes ineligible for the
16 limitation because of a change in the person's status or income
17 or a change in the ownership of the property against which the
18 limitation was applied shall notify the county assessor of the
19 loss of eligibility for the limitation by the last day of
20 February of the tax year immediately following the year in
21 which loss of eligibility occurs.

22 ~~[H.]~~ E. A person who knowingly violates the
23 provisions of this section by intentionally claiming and
24 receiving the benefit of a limitation to which the person is
25 not entitled or who fails to comply with the provisions of

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1 Subsection ~~[G]~~ D of this section shall be liable for all taxes
2 due, interest and a civil penalty of ~~[no more than three times~~
3 ~~the amount of additional taxes due]~~ one thousand dollars
4 (\$1,000).

5 ~~[F.]~~ F. For the ~~[2002]~~ 2020 tax year and each
6 subsequent tax year, the maximum amount of modified gross
7 income in ~~[Subsections A, B and G]~~ Subsection A of this section
8 shall be adjusted to account for inflation. The department
9 shall make the adjustment by multiplying ~~[the maximum amount~~
10 ~~for tax year 2000]~~ thirty-five thousand dollars (\$35,000) by a
11 fraction, the numerator of which is the consumer price index
12 ending during the prior tax year and the denominator of which
13 is the consumer price index ending in tax year ~~[2000]~~ 2019.

14 The result of the multiplication shall be rounded down to the
15 nearest one hundred dollars (\$100), except that if the result
16 would be an amount less than the corresponding amount for the
17 preceding tax year, then no adjustment shall be made. ~~[For~~
18 ~~purposes of this subsection, "consumer price index" means the~~
19 ~~consumer price index for all urban consumers published by the~~
20 ~~United States department of labor for the month ending~~
21 ~~September 30.]~~

22 G. The department shall publish annually the
23 amount determined by the calculation made pursuant to
24 Subsection F of this section and ~~[distribute it]~~ provide the
25 calculated amount to each county assessor no later than

1 December 1 of each tax year.

2 ~~[J.]~~ H. The limitation of value specified in
3 ~~[Subsections A, B and C]~~ Subsection A of this section does not
4 apply to:

5 (1) a change in valuation resulting from any
6 physical improvements made to the property during the year
7 immediately prior to the tax year or a change in the permitted
8 use or zoning of the property during the year immediately prior
9 to the tax year; or

10 (2) a residential property in the first tax
11 year that is valued for property taxation purposes.

12 ~~[K.]~~ I. As used in this section:

13 (1) "consumer price index" means the
14 consumer price index for all urban consumers published by the
15 United States department of labor for the month ending
16 September 30;

17 (2) "disabled" means a person who has been
18 determined to be blind or permanently disabled with medical
19 improvement not expected pursuant to 42 USCA 421 for purposes
20 of the federal Social Security Act or is determined to have a
21 permanent total disability pursuant to the Workers'
22 Compensation Act; and

23 (3) "modified gross income" means "modified
24 gross income" as used in the Income Tax Act."

25 SECTION 2. APPLICABILITY.--The provisions of this act

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1 apply to the 2020 and subsequent property tax years.

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