

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 47

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

INTRODUCED BY

Art De La Cruz and Alan T. Martinez and Luis M. Terrazas

AN ACT

RELATING TO PROPERTY TAX; AMENDING CERTAIN PROPERTY TAX EXEMPTIONS FOR VETERANS TO REFLECT CHANGES MADE TO THE EXEMPTIONS PURSUANT TO CONSTITUTIONAL AMENDMENTS APPROVED BY VOTERS AT THE NOVEMBER 5, 2024 GENERAL ELECTION; EXPANDING THE DEFINITION OF "VETERAN" IN ONE OF THE EXEMPTIONS.

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

SECTION 1. Section 7-37-5 NMSA 1978 (being Laws 1973, Chapter 258, Section 38, as amended) is amended to read:

"7-37-5. VETERAN EXEMPTION.--

A. [~~Up to four thousand dollars (\$4,000)] An amount as provided in Subsection B of this section of the taxable value of property, including the community or joint property of [~~husband and wife~~] married individuals, subject to the tax is exempt from the imposition of the tax if the property is owned~~

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

underscored material = new
[bracketed material] = delete

1 by a veteran or the veteran's unmarried surviving spouse if the
2 veteran or surviving spouse is a New Mexico resident or if the
3 property is held in a grantor trust established under Sections
4 671 through 677 of the Internal Revenue Code of 1986, as those
5 sections may be amended or renumbered, by a veteran or the
6 veteran's unmarried surviving spouse if the veteran or
7 surviving spouse is a New Mexico resident. The exemption shall
8 be deducted from the taxable value of the property to determine
9 the net taxable value of the property.

10 B. The exemption allowed shall be in the following
11 amounts for the specified tax years:

12 ~~[(1) for tax year 2004, the exemption shall be~~
13 ~~three thousand dollars (\$3,000);~~

14 ~~(2) for tax year 2005, the exemption shall be~~
15 ~~three thousand five hundred dollars (\$3,500); and~~

16 ~~(3) for tax year 2006 and each subsequent tax~~
17 ~~year, the exemption shall be four thousand dollars (\$4,000)]~~

18 (1) for tax years 2006 through 2025, four
19 thousand dollars (\$4,000);

20 (2) for tax year 2026, ten thousand dollars
21 (\$10,000); and

22 (3) for tax year 2027 and subsequent tax
23 years, the amount provided in Paragraph (2) of this subsection,
24 adjusted for inflation pursuant to Subsection C of this
25 section.

.229338.3

underscoring material = new
[bracketed material] = delete

1 C. For tax year 2027 and subsequent tax years, the
2 amount of exemption shall be adjusted to account for inflation.
3 The department shall make the adjustment by multiplying ten
4 thousand dollars (\$10,000) by a fraction, the numerator of
5 which is the consumer price index ending during the prior tax
6 year and the denominator of which is the consumer price index
7 ending in tax year 2026. The result of the multiplication
8 shall be rounded down to the nearest one hundred dollars
9 (\$100), except that if the result would be an amount less than
10 the corresponding amount for the preceding tax year, then no
11 adjustment shall be made.

12 D. The department shall publish annually the amount
13 determined by the calculation made pursuant to Subsection C of
14 this section and provide the calculated amount to each county
15 assessor no later than December 1 of the prior tax year.

16 ~~[B.] E. The veteran exemption shall be applied only~~
17 ~~if claimed and allowed in accordance with Section 7-38-17 NMSA~~
18 ~~1978 and regulations of the department. [For taxpayers who~~
19 ~~became eligible for a veteran exemption due to the approval of~~
20 ~~the amendment to Article 8, Section 5 of the constitution of~~
21 ~~New Mexico in November 2004, a county assessor shall, at the~~
22 ~~time of determining the net taxable value of the taxpayer's~~
23 ~~property for the 2005 property tax year, in addition to~~
24 ~~complying with the provisions of Section 7-38-17 NMSA 1978,~~
25 ~~determine the net taxable value of the taxpayer's property that~~

.229338.3

underscoring material = new
[bracketed material] = delete

1 ~~would result from the application of the veteran exemption for~~
2 ~~the 2004 property tax year had the deadline for applying for~~
3 ~~the veteran exemption in 2004 occurred after the amendment was~~
4 ~~certified. The veteran exemption for 2004 shall not be~~
5 ~~credited against the 2005 property value of a taxpayer until~~
6 ~~the taxpayer has paid in full the taxpayer's property tax~~
7 ~~liability for the 2004 property tax year.~~

8 ~~G.]~~ F. As used in this section, "veteran" means an
9 individual who:

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

12 (2) except as provided in Subsection G of this
13 section:

14 (a) served in the armed forces of the
15 United States on active duty continuously for ninety days; or

16 (b) served in the army reserve, navy
17 reserve, marine corps reserve, air force reserve, coast guard
18 reserve, army national guard or air national guard and was
19 accepted for and assigned to duty for a minimum of six
20 continuous years.

21 ~~[D. For the purposes of Subsection C of this~~
22 ~~section]~~ G. A person who would otherwise be entitled to status
23 as a veteran except for failure to have served ~~[in the armed~~
24 ~~forces continuously for ninety days]~~ the required time period
25 is considered to have met that qualification if the ~~[person~~

.229338.3

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

1 ~~served for less than ninety days and the]~~ reason for not having
2 served [~~for ninety days~~] the required time period was a
3 discharge brought about by service-connected disablement.

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

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

14 **SECTION 2.** Section 7-37-5.1 NMSA 1978 (being Laws 2000,
15 Chapter 92, Section 1 and Laws 2000, Chapter 94, Section 1, as
16 amended) is amended to read:

17 "7-37-5.1. DISABLED VETERAN EXEMPTION.--

18 A. As used in this section:

19 (1) "disabled veteran" means an individual
20 who:

21 (a) has been honorably discharged from
22 membership in the armed forces of the United States or has
23 received a discharge certificate from a branch of the armed
24 forces of the United States for civilian service recognized
25 pursuant to federal law as service in the armed forces of the

.229338.3

underscored material = new
[bracketed material] = delete

1 United States; and

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

5 (2) "honorably discharged" means discharged
6 from the armed forces pursuant to a discharge other than a
7 dishonorable or bad conduct discharge.

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

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

23 (1) the surviving spouse and the disabled
24 veteran were married at the time of the disabled veteran's
25 death; and

.229338.3

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

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

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

9 (1) maintain the exemption for that residence
10 for the remainder of the year, even if the residence is
11 transferred during the year; or

12 (2) remove the exemption for that residence
13 and apply it to the disabled veteran's or the disabled
14 veteran's surviving spouse's new principal place of residence,
15 regardless of whether the exemption was applied for and claimed
16 within thirty days of the mailing of the county assessor's
17 notice of valuation made pursuant to the provisions of Section
18 7-38-20 NMSA 1978.

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

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

24 G. The veterans' services department shall assist
25 the department and the county assessors in determining which

.229338.3

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

veterans qualify for the disabled veteran exemption."

SECTION 3. APPLICABILITY.--The provisions of this act apply to the 2026 and subsequent property tax years.