

1 SENATE BILL 186

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Peter Wirth and George K. Muñoz and Joshua N. Hernandez

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10 AN ACT

11 RELATING TO PROPERTY TAX; CREATING A SPECIAL METHOD OF
12 VALUATION FOR CERTAIN MULTIFAMILY HOUSING.

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

15 SECTION 1. Section 7-36-15 NMSA 1978 (being Laws 1975,
16 Chapter 165, Section 2, as amended) is amended to read:

17 "7-36-15. METHODS OF VALUATION FOR PROPERTY TAXATION
18 PURPOSES--GENERAL PROVISIONS.--

19 A. Property subject to valuation for property
20 taxation purposes under this article of the Property Tax Code
21 shall be valued by the methods required by this article of the
22 Property Tax Code whether the determination of value is made by
23 the department or the county assessor. The same or similar
24 methods of valuation shall be used for valuation of the same or
25 similar kinds of property for property taxation purposes.

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1 B. Unless a method or methods of valuation are
2 authorized in Sections 7-36-20 through [~~7-36-33~~] 7-36-34 NMSA
3 1978, the value of property for property taxation purposes
4 shall be its market value as determined by application of the
5 sales of comparable property, income or cost methods of
6 valuation or any combination of these methods. In using any of
7 the methods of valuation authorized by this subsection, the
8 valuation authority:

9 (1) shall apply generally accepted appraisal
10 techniques; and

11 (2) in determining the market value of
12 residential housing, shall consider any decrease in the value
13 that would be realized by the owner in a sale of the property
14 because of the effects of any affordable housing subsidy,
15 covenant or encumbrance imposed pursuant to a federal, state or
16 local affordable housing program that restricts the future use
17 of the property or the resale price of the property or would
18 otherwise prohibit the owner from fully [~~benefitting~~]
19 benefiting from any enhanced value of the property. As used in
20 this paragraph:

21 (a) "subsidy, covenant or encumbrance
22 imposed pursuant to a federal, state or local affordable
23 housing program" includes those imposed by a nonprofit entity
24 approved by a governmental entity as a qualifying grantee
25 pursuant to the Affordable Housing Act; and

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1 (b) "residential housing" means any
2 building, structure or portion thereof that is primarily
3 occupied, or designed or intended primarily for occupancy, as a
4 residence by one or more households and any real property that
5 is offered for sale or lease for the construction or location
6 thereon of such a building, structure or portion thereof.

7 "Residential housing" includes congregate housing, manufactured
8 homes, housing intended to provide or providing transitional or
9 temporary housing for homeless persons and common health care,
10 kitchen, dining, recreational and other facilities primarily
11 for use by residents of a residential housing project.

12 C. Dams, reservoirs, tanks, canals, irrigation
13 wells, installed irrigation pumps, stock-watering wells and
14 pumps, similar structures and equipment used for irrigation or
15 stock-watering purposes, water rights and private roads shall
16 not be valued separately from the land they serve. The
17 foregoing improvements and rights shall be considered as
18 appurtenances to the land they serve, and their value shall be
19 included in the determination of value of the land.

20 D. The department shall adopt regulations to
21 implement the methods of valuation authorized in this article
22 of the Property Tax Code."

23 SECTION 2. A new section of the Property Tax Code,
24 Section 7-36-34 NMSA 1978, is enacted to read:

25 "7-36-34. [NEW MATERIAL] SPECIAL METHOD OF VALUATION--
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1 CERTAIN RESIDENTIAL MULTIFAMILY HOUSING.--

2 A. Multifamily housing shall be valued at its
3 current and correct value in accordance with the provisions of
4 the Property Tax Code, except as provided in Subsection B of
5 this section; provided that:

6 (1) any increase in value over the prior year
7 shall be limited as provided in Section 7-36-21.2 1978;

8 (2) the per-unit value of a multifamily
9 housing complex in a tax year shall not exceed an amount equal
10 to the total property value divided by the number of units in
11 the multifamily housing, multiplied by forty percent; and

12 (3) no value shall be attributed to amenities
13 or ancillary improvements to the property other than
14 multifamily housing units.

15 B. Subject to the provisions of Paragraphs (1) and
16 (2) of Subsection A of this section, the current and correct
17 value of multifamily housing constructed in the year
18 immediately prior to a tax year shall be the lower of the:

19 (1) current and correct value; or

20 (2) the actual costs of construction of the
21 multifamily housing and the actual costs of the land on which
22 the multifamily housing is located. The property owner of the
23 multifamily housing shall submit evidence of actual costs to
24 the county assessor of the county in which the multifamily
25 housing is located in a form and manner as required by the

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county assessor.

C. As used in this section, "multifamily housing" means residential property with five or more units that are regularly rented or leased, or available to rent or lease, to tenants pursuant to a written lease for a term of thirty days or longer."

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