



## Final Legislative Report

Forty-Ninth New Mexico State Legislature -- Second Session

Regular and First Special Session (2010)

“A REALTOR’S PERSPECTIVE”

Connie Hettinga, President

Victoria Murphy,  
Legislative Chair 2009-2010

## *Recap of the 2010 "Regular" Legislative Session*

While there was some speculation in advance of the session that the governor would limit the number of non-budget bills introduced to allow legislators to focus more clearly on the growing budget deficit, he actually sent 126 messages to the House and 78 messages to the Senate, authorizing consideration of bills that would not otherwise have been considered germane to the "budget" session.

In all, there a total of 962 bills were introduced in the regular 30-day session; Governor Richardson signed 116 into law, vetoed one, and allowed 8 to die with pocket vetoes.

However, as we all know, the Legislature was not successful in completing work on the State's budget and was called back into Special Session to craft a budget that would meet the estimated \$600 million shortfall in revenues.

During the Regular session, the RANM Legislative Committee identified 58 specific bills that could impact real estate, private property rights or affect small businesses, and in addition to those, also tracked the 97 so-called Dummy Bills introduced on the last day designated for bill introduction. That made a total of 145 bills to keep us on our toes!

Only seven of the bills we tracked reached the Governor for action.

Just to highlight a few of the ones that were signed into law –

- Senator Boitano's bill to further regulate Appraisal Management Companies was signed into law and requires appraiser to actually have both geographic and product competency in the area they are appraising;
- Senator Nancy Rodriguez's bill to allow the affordable housing tax credit to be taken for housing projects in counties with a population of at least 100,000 (currently, Bernalillo, Dona Ana, San Juan and Santa Fe). It also expands coverage of the tax credit to include 50 percent of the investment in materials;
- Representative Martinez' bill to require that any contract with a mortgage foreclosure consultant:
  - be sent to an owner at least 24 hours before being signed,
  - be printed in 14-point type and in the language in which the owner discussed the contract with the consultant,
  - disclose services to be provided including any transfer of title or creation of additional mortgages,
  - contain boldface type advising the owner of the need to continue making mortgage payments until any refinancing is approved and
  - the right to rescind a transfer of property within three days after signing a deed.
- Representative Mimi Stewart's bill on solar energy system installations specifies that they are not to be considered "physical improvements" to residential property. This means the value of the installation will not be added to the assessed valuation of the residential property as an exception to the three percent cap on annual increases in valuation.
- Senator Rue introduced a bill which we initially vehemently opposed; it would have required a two-week written notice, by certified mail, to the boards of trustees of four of

the state's ten recognized community land grants before beginning a property survey within or bordering on the land grant. It would have required proof-of-notice certification to accompany the survey filed with the county clerk; otherwise, the survey is not valid and applied specifically to property surveys involving land grants in Las Vegas, Manzano, Nuestra Senora and Socorro.

We were able to modify the bill which, as passed simply requires the surveyor to give written notice by certified mail to the board of trustees or commissioners of the affected land grant prior to recording the boundary survey or plat with the county clerk.

Senators Boitano, Eichenberg and Neville collaborated on a Property Tax Lightning fix that passed all its Senate Committee referrals, the Senate and one House Committee. It stalled out in House Taxation and Revenue due to the opposition of Speaker Lujan.

Representative Sandoval, Chairman of the House Taxation and Revenue Committee, introduced a memorial that would have created a task force – naming RANM among the members -- to work on the property tax lightning issue and report a solution to the interim committees by October 30, 2010; unfortunately the bill, introduced late, did not pass.

RANM's property tax task force, however, will continue to work on the tax lightning issue with others such as the county assessors, and the Taxation and Revenue Department, Property Tax Division.

After the Regular Session, we were invited to the Lt. Governor's office to discuss issues of importance to REALTORS® and we brought to her attention the four issues we had identified as priorities prior to the session. These are: Transfer Taxes, Property Taxes, Affordable Housing and Regulatory Reform.

#### *Update on "First Special Session" of 2010*

The Governor had until March 24<sup>th</sup> to act upon legislation sent to him in the Special Session and on that date line-item-vetoed the food tax that the Senate had insisted on including as part of a larger revenue bill passed during the special session.

In addition to his action on the **revenue bill (Senate Bill 10)** Governor Richardson also signed two other pieces of the budget-balancing package passed during the special session:

- **Budget (House Bill 2)** – Governor Richardson signed the budget bill, which includes language that gives the Governor the authority to make additional spending cuts across state government. The Governor will exercise that option if cash reserves decline as a result of the food tax veto. The Governor is also prepared to use \$20 million in stimulus money to balance the budget.
- **Cigarette Tax (House Bill 3)** – Governor Richardson signed a bill that increases the tax on cigarettes by 75 cents per pack. Because the bill was intended to raise revenue to balance the budget, the Governor vetoed earmarks that would have diverted \$13.3 million from the tax for other purposes. The veto means the money will go to the General Fund, to help bolster reserves. The Governor also vetoed language that would have ended the tax after four years. Because the tax is meant to deter young from smoking, the sunset provision was deemed unnecessary.