



**NEW MEXICO  
BUSINESS COALITION**

PO Box 95735  
Albuquerque, NM 87199  
(505 836-4223)

**RE: HB 103 Cap Residential Property Tax Rates - NMBC Supports**

Chair and Members of the Committee,

**On behalf of concerned New Mexico homeowners and taxpayers, I respectfully write in strong support of HB 103**, which protects residential property owners from unintended tax increases triggered solely by government zoning changes.

Current law caps annual increases in residential property valuation at 3%, providing predictability and stability for homeowners. However, that protection disappears if a property's zoning changes.

In many cases, zoning decisions are made by local governments without the request—or even the consent of the homeowner. Yet under existing statutes, government action can trigger a full market revaluation and significant property tax increase.

HB 103 corrects this inequity by ensuring that a zoning change alone does not eliminate the 3% valuation cap. This is a matter of fairness.

Homeowners should not face sudden tax spikes simply because a city decides to upzone a neighborhood or increase development density. Many residents, especially seniors, working families and those on fixed incomes budget carefully and rely on predictable property taxes. When land values rise due to speculative development potential, long-time homeowners can be priced out of their own neighborhoods.

HB 103 maintains stability while preserving full market valuation when a property actually changes ownership or is physically improved. In other words, taxes rise when real value is realized—not merely when theoretical redevelopment potential is created.

At a time when New Mexico has experienced multiple years of strong state revenue performance, protecting homeowners from unnecessary local tax volatility is both fiscally responsible and compassionate.

HB 103 strikes the right balance between fair taxation and homeowner protection. For these reasons, I respectfully urge a DO PASS vote.

Thank you for your consideration.

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

Carla J. Sonntag  
President and CEO