



RE: HB 148 Property Tax Affidavits – NMBC Opposes

Dear Members of the Legislature,

I am writing to provide comments on the proposed amendments to the Property Tax Code and their implications for **commercial and nonresidential real estate in New Mexico**. While certain aspects of the bill offer predictability and stability, others raise concerns regarding long-term market impacts and tax equity.

The temporary limitation on annual valuation increases for nonresidential property—capped at five percent for tax years 2026 through 2036—introduces a meaningful level of predictability for commercial property owners. This stability may encourage longer-term investment in existing commercial properties.

In addition, clarifying valuation exclusions for disaster-related reconstruction and changes in use or zoning helps ensure that the cap does not inadvertently discourage redevelopment or recovery following declared emergencies.

At the same time, the bill raises a concern over the expansion of mandatory transfer affidavits to nearly all real property transactions and introduces additional administrative requirements and reporting obligations for commercial buyers and sellers. Although the bill states that the information will be used for analytical and statistical purposes only, increased data collection may lead to more rapid reassessments and heightened scrutiny of commercial transactions. This could reduce flexibility in deal structuring and increase compliance costs, particularly for complex or multi-property transactions.

In addition, the temporary nature of the valuation cap creates uncertainty beyond 2036. Commercial investors and lenders must account for the possibility of a valuation “reset” when the cap expires, which could affect long-term financing assumptions and property valuations today.

In summary, HB148 offers advantages short- to medium-term tax predictability for commercial real estate, which may support investment stability and business planning. However, it also introduces concerns related to administrative burden and long-term market distortion. Careful consideration should be given to how these provisions may affect commercial property competitiveness, local government revenues, and investment decisions over time.

Thank you for considering these perspectives. We urge you to make the cap permanent and remove the requirement for mandatory transfer affidavits.

Sincerely,

Carla J. Sonntag
President & CEO