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AN ACT

RELATING TO AGRICULTURAL PROPERTY; PROVIDING THAT AN APPLICATION TO USE THE VALUATION METHOD FOR LAND USED PRIMARILY FOR AGRICULTURAL PURPOSES BE MADE NO LATER THAN THIRTY DAYS AFTER THE DATE OF MAILING BY THE ASSESSOR OF THE NOTICE OF VALUATION.

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

SECTION 1. Section 7-36-20 NMSA 1978 (being Laws 1973, Chapter 258, Section 21, as amended) is amended to read:

"7-36-20. SPECIAL METHOD OF VALUATION--LAND USED PRIMARILY FOR AGRICULTURAL PURPOSES.--

A. The value of land used primarily for agricultural purposes shall be determined on the basis of the land's capacity to produce agricultural products. Evidence of bona fide primary agricultural use of land for the tax year preceding the year for which determination is made of eligibility for the land to be valued under this section creates a presumption that the land is used primarily for agricultural purposes during the tax year in which the determination is made. If the land was valued under this section in one or more of the three tax years preceding the year in which the determination is made and the use of the land has not changed since the most recent valuation under this section, a presumption is created that the land

1 continues to be entitled to that valuation.

2 B. For the purpose of this section, "agricultural
3 use" means the use of land for the production of plants,
4 crops, trees, forest products, orchard crops, livestock,
5 poultry, captive deer or elk, or fish. The term also
6 includes the use of land that meets the requirements for
7 payment or other compensation pursuant to a soil conservation
8 program under an agreement with an agency of the federal
9 government.

10 C. The department shall adopt rules for
11 determining whether land is used primarily for agricultural
12 purposes. The rules shall provide that the use of land for
13 the lawful taking of game shall not be considered in
14 determining whether land is used primarily for agricultural
15 purposes.

16 D. The department shall adopt rules for
17 determining the value of land used primarily for agricultural
18 purposes. The rules shall:

19 (1) specify procedures to use in determining
20 the capacity of land to produce agricultural products and the
21 derivation of value of the land based upon its production
22 capacity;

23 (2) establish carrying capacity as the
24 measurement of the production capacity of land used for
25 grazing purposes, develop a system of determining carrying

1 capacity through the use of an animal unit concept and
2 establish carrying capacities for the land in the state
3 classified as grazing land;

4 (3) provide that land the bona fide and
5 primary use of which is the production of captive deer or elk
6 shall be valued as grazing land, and that captive deer shall
7 be valued and taxed as sheep and captive elk shall be valued
8 and taxed as cattle;

9 (4) provide for the consideration of
10 determinations of any other governmental agency concerning
11 the capacity of the same or similar lands to produce
12 agricultural products;

13 (5) assure that land determined under the
14 rules to have the same or similar production capacity shall
15 be valued uniformly throughout the state; and

16 (6) provide for the periodic review by the
17 department of determined production capacities and
18 capitalization rates used for determining annually the value
19 of land used primarily for agricultural purposes.

20 E. All improvements, other than those specified in
21 Section 7-36-15 NMSA 1978, on land used primarily for
22 agricultural purposes shall be valued separately for property
23 taxation purposes and the value of these improvements shall
24 be added to the value of the land determined under this
25 section.

1 F. The owner of the land must make application to
2 the county assessor in a tax year in which the valuation
3 method of this section is first claimed to be applicable to
4 the land or in a tax year immediately subsequent to a tax
5 year in which the land was not valued under this section.
6 Application shall be made under oath, shall be in a form and
7 contain the information required by department rules and must
8 be made no later than thirty days after the date of mailing
9 by the assessor of the notice of valuation. Once land is
10 valued under this section, application need not be made in
11 subsequent tax years as long as there is no change in the use
12 of the land.

13 G. The owner of land valued under this section
14 shall report to the county assessor whenever the use of the
15 land changes so that it is no longer being used primarily for
16 agricultural purposes. This report shall be made on a form
17 prescribed by department rules and shall be made by the last
18 day of February of the tax year immediately following the
19 year in which the change in the use of the land occurs.

20 H. Any person who is required to make a report
21 under the provisions of Subsection G of this section and who
22 fails to do so is personally liable for a civil penalty in an
23 amount equal to the greater of twenty-five dollars (\$25.00) or
24 twenty-five percent of the difference between the property
25 taxes ultimately determined to be due and the property taxes

1 originally paid for the tax years for which the person failed
2 to make the required report." _____

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