



**REVENUE STABILIZATION AND TAX POLICY COMMITTEE
COUNTY GOVERNMENT PROPERTY TAX ISSUES
October 30, 2017**

- County assessors are responsible for the valuation of all property subject to valuation for property taxation purposes in the counties except as set forth in NMSA 1978 §7-36-2(B) and (C). The Taxation and Revenue Department (Property Tax Division) is responsible for valuing railroads, communications systems, pipelines, public utilities, and airlines. See attachment #1.
- State assessed property comprises almost 13% of the total statewide valuation. In three counties (De Baca, Guadalupe, and Hidalgo) state assessed makes up over 50% of the counties' total valuation, in three counties between 40 and 50% (Eddy, Lea, and McKinley), in three counties between 30 and 40% (Quay, San Juan, and Torrance), and between 20 and 30% in another five counties (Cibola, Luna, Roosevelt, Socorro, and Union). See attachment #2.
- Counties have been raising concerns with the Department for many years about serious shortcomings when it comes to state assessed property valuations.
- The amount of tax dollars statewide that are not collected from centrally assessed properties (for non-regulated companies) runs into tens of millions of dollars, and a substantial number of properties, especially oil and gas pipelines, are not even on the tax rolls.
- The Property Tax Division has been severely understaffed for a long period of time (they were without a division director for approximately a year and a half, have had vacancies for state assessed and appraisal bureau chiefs for about two years, and do not have field auditors to verify information submitted by companies). They do not have the capability to determine if there are omitted properties or if properties are undervalued.
- Counties are not notified when protests on valuation of state assessed properties are scheduled by the Property Tax Division, or if settlements are reached. In Rio Arriba County, the county assessor found out way after the fact that a protest on valuation for state assessed properties was resolved and that the valuation was reduced by the Property Tax Division by nearly \$11 million, resulting in a loss of revenue of approximately \$350,000. In addition, the Property Tax Division generally does not share information on individual taxpayers with county assessors.
- The bottom line is that millions of tax revenue for state assessed properties are not being collected. This needs to change.

7-36-1. Provisions for valuation of property; applicability.

The provisions of this article apply to and govern the determination of value of all property subject to valuation for property taxation purposes under the Property Tax Code [Chapter 7, Articles 35 to 38 NMSA 1978].

History: 1953 Comp., § 72-29-1, enacted by Laws 1973, ch. 258, § 13.

Cross references. — For constitutional provision as to equality of ad valorem taxation, see N.M. Const., art. VIII, § 1. For constitutional provision as to property tax limits and exceptions, see N.M. Const., art. VIII, § 2. For constitutional provision as to assessment of lands, see N.M. Const., art. VIII, § 6.

Law reviews. — For comment, "Ad Valorem Taxes — Omitted Property and Improvements — Assessments," see 6 Nat. Resources J. 105 (1966).

For comment, "Coal Taxation in the Western States: The Need for a Regional Tax Policy," see 16 Nat. Resources J. 415 (1976).

7-36-2. Allocation of responsibility for valuation and determining classification of property for property taxation purposes; county assessor and department.

A. The county assessor is responsible and has the authority for the valuation of all property subject to valuation for property taxation purposes in the county except the property specified by Subsections B and C of this section.

B. The department is responsible and has the authority for the valuation of all property subject to valuation for property taxation purposes and used in the conduct of the following businesses:

- (1) railroad;
- (2) communications system as that term is defined in Section 7-36-30 NMSA 1978;
- (3) pipeline;
- (4) public utility; and
- (5) airline.

C. The department is responsible and has the authority for the valuation of property subject to valuation for property taxation purposes when that property is:

- (1) an electricity generating plant, whether or not owned by a public utility, if all or part of the electricity is generated for ultimate sale to the consuming public;
- (2) mineral property and property held or used in connection with mineral property as defined in Sections 7-36-22 through 7-36-25 NMSA 1978; or
- (3) machinery, equipment and other personal property of all resident and nonresident persons customarily engaged in construction that involves the use during a tax year of the machinery, equipment and other personal property in more than one county. For the purposes of this paragraph, "construction" means leveling or clearing land, excavating earth, drilling wells of any type, including seismograph shot holes or core drilling, or similar work, or building, altering, repairing or demolishing any:
 - (a) road, highway, bridge, parking area or related project;
 - (b) building, fence, stadium or other structure;
 - (c) airport, subway or similar facility;
 - (d) park, trail, athletic field, golf course or similar facility;
 - (e) dam, reservoir, canal, ditch or similar facility;
 - (f) sewerage or water treatment facility, power generating plant, pump station, natural gas compressing station, gas processing plant, coal gasification plant, refinery, distillery or similar facility;
 - (g) sewerage, water, gas or other pipeline;
 - (h) transmission line;
 - (i) radio, television or other tower;
 - (j) water, oil or other storage tank;
 - (k) shaft, tunnel or other mining appurtenance; or
 - (l) similar work.

	2017 State Assessed Values	2016 Property Tax (Values/Res & Non)	% State Assessed to Value	1%-10%	10.1%-20%	20.1%-30%	30.1%-40%	40.1%-50%	50.1%+
BERNALILLO	\$ 509,960,152	\$ 15,410,437,184	3.3	Bernalillo					DeBaca
CATRON	\$ 23,445,032	\$ 128,155,234	18.3	Dona Ana					Guadalupe
CHAVES	\$ 179,671,238	\$ 1,188,596,594	15.1	Grant					Hidalgo
CIBOLA	\$ 65,594,126	\$ 326,053,107	20.1	Harding					
COLFAX	\$ 63,831,893	\$ 616,476,366	10.4	Lincoln					
CURRY	\$ 117,859,070	\$ 892,931,602	13.2	Los Alamos					
DE BACA	\$ 52,258,264	\$ 82,919,133	63.0	Sandoval					
DONA ANA	\$ 293,883,175	\$ 4,173,726,189	7.0	San Miguel					
EDDY	\$ 950,237,865	\$ 2,097,187,188	45.3	Santa Fe					
GRANT	\$ 52,751,177	\$ 616,283,652	8.6	Taos					
GUADALUPE	\$ 78,984,682	\$ 146,706,923	53.8						
HARDING	\$ 5,879,994	\$ 82,710,791	7.1	Catron					
HIDALGO	\$ 93,547,801	\$ 169,444,563	55.2	Chaves					
LEA	\$ 795,557,887	\$ 1,754,544,470	45.3	Colfax					
LINCOLN	\$ 91,577,262	\$ 1,235,532,025	7.4	Curry					
LOS ALAMOS	\$ 6,048,136	\$ 687,392,479	0.9	Mora					
LUNA	\$ 165,740,370	\$ 573,585,059	28.9	Otero					
MCKINLEY	\$ 380,298,172	\$ 857,843,512	44.3	Rio Arriba					
MORA	\$ 22,643,483	\$ 140,667,932	16.1	Sierra					
OTERO	\$ 119,664,247	\$ 1,132,391,124	10.6	Valencia					
QUAY	\$ 60,481,409	\$ 199,328,242	30.3						
RIO ARRIBA	\$ 156,096,407	\$ 821,185,334	19.0	Cibola					
ROOSEVELT	\$ 75,220,990	\$ 374,162,770	20.1	Luna					
SANDOVAL	\$ 220,355,067	\$ 3,277,968,189	6.7	Roosevelt					
SAN JUAN	\$ 1,033,594,685	\$ 3,131,927,366	33.0	Socorro					
SAN MIGUEL	\$ 47,629,079	\$ 583,539,531	8.2	Union					
SANTA FE	\$ 147,189,293	\$ 6,783,810,967	2.2						
SIERRA	\$ 41,247,725	\$ 312,394,055	13.2	Quay					
SOCORRO	\$ 59,115,344	\$ 268,247,049	22.0	San Juan					
TAOS	\$ 46,463,381	\$ 1,422,907,056	3.3	Torrance					
TORRANCE	\$ 124,409,614	\$ 390,725,148	31.8						
UNION	\$ 51,143,211	\$ 174,988,532	29.2	Eddy					
VALENCIA	\$ 182,302,025	\$ 1,362,830,758	13.4	Lea					
				McKinley					
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COPPER AD VALOREM	\$ 219,831,350								
STATE TOTAL	\$ 6,534,513,606	\$ 51,417,600,124	12.7						