

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 510

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Nancy Rodriguez

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

.192706.1

underscoring material = new
~~[bracketed material] = delete~~

underscoring material = new
~~[bracketed material] = delete~~

1 preceding the year for which determination is made of
2 eligibility for the land to be valued under this section
3 creates a presumption that the land is used primarily for
4 agricultural purposes during the tax year in which the
5 determination is made. If the land was valued under this
6 section in one or more of the three tax years preceding the
7 year in which the determination is made and the use of the land
8 has not changed since the most recent valuation under this
9 section, a presumption is created that the land continues to be
10 entitled to that valuation.

11 B. For the purpose of this section, "agricultural
12 use" means the use of land for the production of plants, crops,
13 trees, forest products, orchard crops, livestock, poultry,
14 captive deer or elk, or fish. The term also includes the use
15 of land that meets the requirements for payment or other
16 compensation pursuant to a soil conservation program under an
17 agreement with an agency of the federal government.

18 C. The department shall adopt rules for determining
19 whether land is used primarily for agricultural purposes. The
20 rules shall provide that the use of land for the lawful taking
21 of game shall not be considered in determining whether land is
22 used primarily for agricultural purposes.

23 D. The department shall adopt rules for determining
24 the value of land used primarily for agricultural purposes.

25 The rules shall:

.192706.1

underscoring material = new
[bracketed material] = delete

1 (1) specify procedures to use in determining
2 the capacity of land to produce agricultural products and the
3 derivation of value of the land based upon its production
4 capacity;

5 (2) establish carrying capacity as the
6 measurement of the production capacity of land used for grazing
7 purposes, develop a system of determining carrying capacity
8 through the use of an animal unit concept and establish
9 carrying capacities for the land in the state classified as
10 grazing land;

11 (3) provide that land the bona fide and
12 primary use of which is the production of captive deer or elk
13 shall be valued as grazing land, and that captive deer shall be
14 valued and taxed as sheep and captive elk shall be valued and
15 taxed as cattle;

16 (4) provide for the consideration of
17 determinations of any other governmental agency concerning the
18 capacity of the same or similar lands to produce agricultural
19 products;

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

23 (6) provide for the periodic review by the
24 department of determined production capacities and
25 capitalization rates used for determining annually the value of

.192706.1

underscored material = new
[bracketed material] = delete

1 land used primarily for agricultural purposes.

2 E. All improvements, other than those specified in
3 Section 7-36-15 NMSA 1978, on land used primarily for
4 agricultural purposes shall be valued separately for property
5 taxation purposes and the value of these improvements shall be
6 added to the value of the land determined under this section.

7 F. The owner of the land must make application to
8 the county assessor in a tax year in which the valuation method
9 of this section is first claimed to be applicable to the land
10 or in a tax year immediately subsequent to a tax year in which
11 the land was not valued under this section. Application shall
12 be made under oath, shall be in a form and contain the
13 information required by department rules and must be made no
14 later than ~~[the last day of February of the tax year]~~ thirty
15 days after the date of mailing by the assessor of the notice of
16 valuation. Once land is valued under this section, application
17 need not be made in subsequent tax years as long as there is no
18 change in the use of the land.

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

.192706.1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

underscoring material = new
~~bracketed material~~ = delete