



NM Property Tax Division

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To the Revenue Stabilization and Tax Policy Committee
NM Property Tax Overview and Comparison to other States
July 6, 2022

NM Property Tax Division (PTD)

The Property Tax Division helps local governments in the administration and collection of ad valorem taxes in the State of New Mexico.

Property taxes contribute a large portion of revenue to New Mexico's local governments and schools annually. Residential and non-residential property taxes are assessed by County Assessors and collected by County Treasurers with oversight from Property Tax Division.

Three bureaus make up Property Tax Division: Appraisal Bureau, State Assessed Property Bureau and Delinquent Property Tax Bureau.

NM Property Tax Division (PTD)

Our main responsibilities are to:

- assure that county assessors implement and comply with applicable statutes, rules and regulations;
- establish evaluation criteria and procedures to monitor each county assessor's performance;
- appraise and review estimates of real property values in transactions for counties, schools, municipalities and other state agencies;
- appraise and issue notices of valuation for state-assessed properties, and
- collect delinquent real property taxes, penalties, interest and costs by working with delinquent taxpayers through installment agreements and ultimately listing properties for public auction sales.

We also promote equity and uniformity in assessments through education and training.

PTD Appraisal Bureau

- Provide technical assistance to counties on valuation of properties
- Perform appraisals as requested by PTD and New Mexico public entities
- Review appraisals for the State Board of Finance for use in sales, trades and leases of property
- One member of each county's Valuation Protest Board is a member of the Appraisal Bureau
- Perform annual Assessor performance evaluations
- Provide training to county Assessors and staff for appraiser certification

PTD State Assessed Bureau

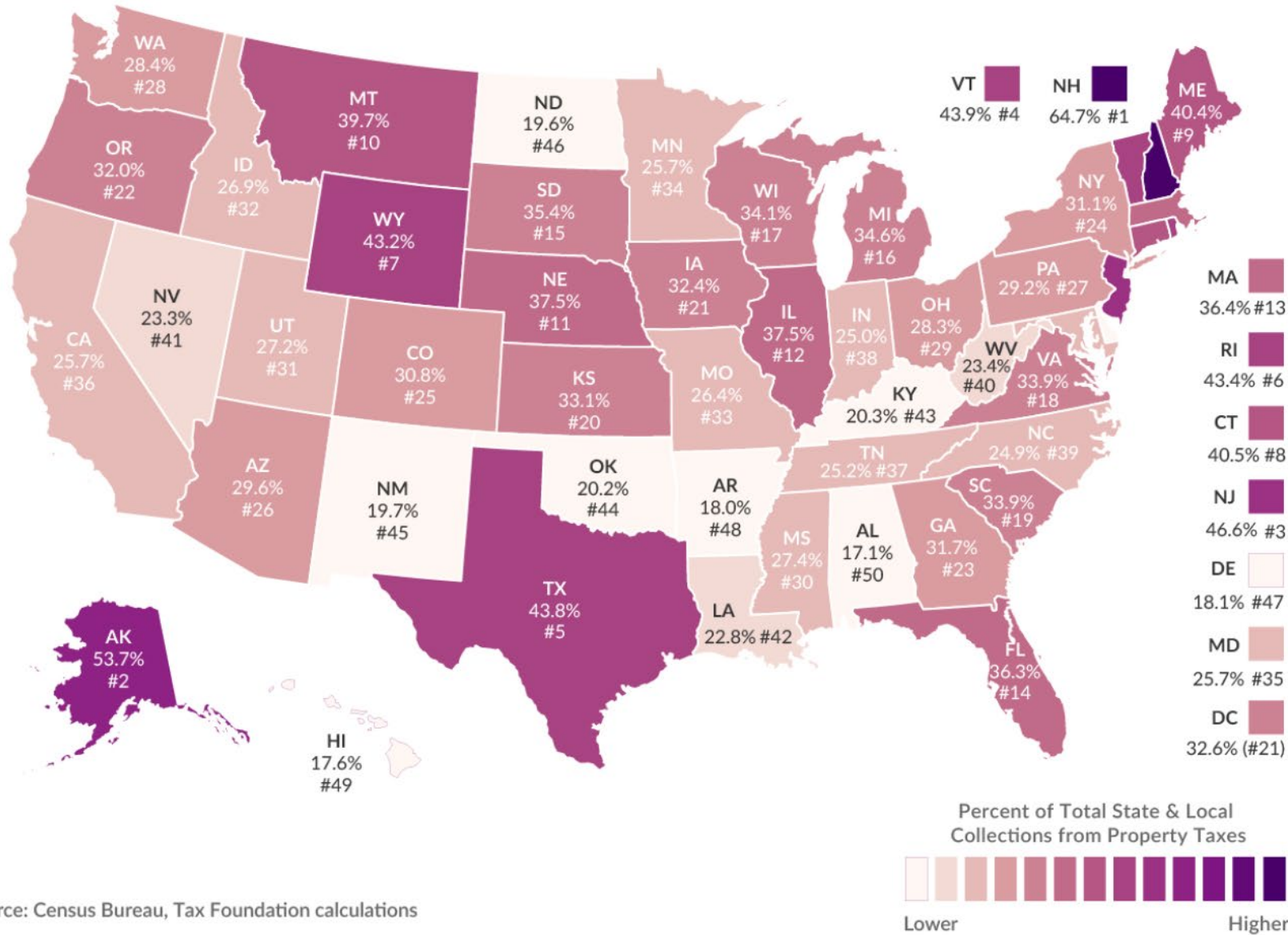
- Responsible for the annual valuation assessment of certain non-residential properties for ad valorem tax purposes
- Properties assessed centrally are in the following specialized industries;
 - railroad, telecommunications, pipeline, public utility, airline, electricity generating plants, mineral property and property held or used in connection with mineral property, and multi-county construction.
- distributes its assessments to the county assessors for integration with each county's annual tax roll

PTD Delinquent Property Tax Bureau

- Pursues the collection of delinquent property tax obligations at the end of the third full year of tax delinquency
- Notify delinquent taxpayers about the taxes due and planned sales of delinquent property
 - Notification by; telephone, certified mail, site visits, affixing courtesy notices to the property and advertising in regional newspapers.
- Work with taxpayers meet their property tax obligations and avoid sale of their property at auction
- Only as a last resort do we conduct public auctions to sell the taxpayer's interest in the delinquent property for unpaid taxes
- After the property is sold and the past-due taxes, penalties and interest are satisfied, any remaining amount is sent to the taxpayer who owned the property

To What Extent Does Your State Rely on Property Taxes?

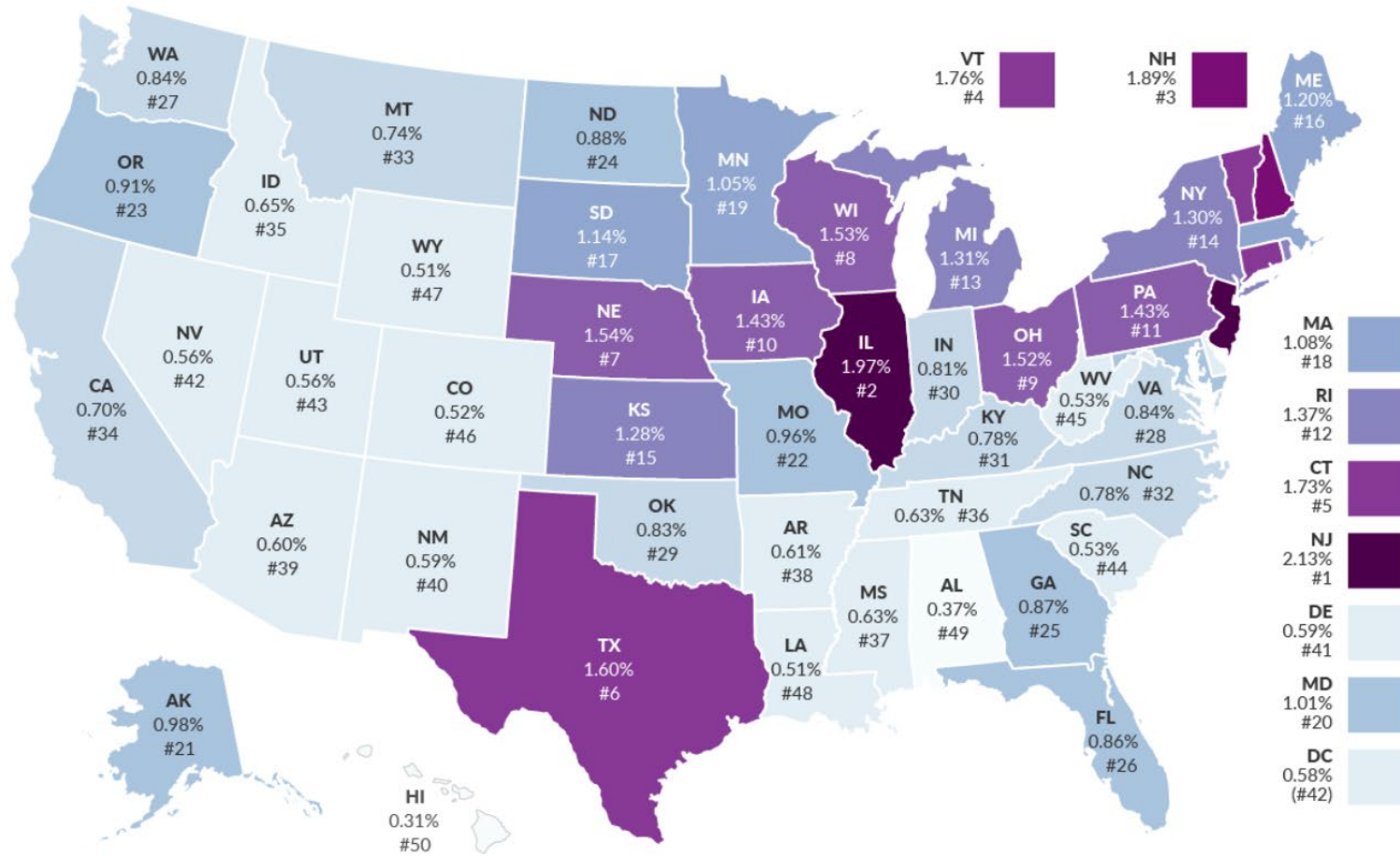
Property Tax Collections as a Percent of Total State and Local Tax Collections, FY 2016



Source: Census Bureau, Tax Foundation calculations

How High Are Property Taxes in Your State?

Property Taxes Paid as a Percentage of Owner-Occupied Housing Value, 2019



Note: The figures in this table are mean effective property tax rates on owner-occupied housing (total real taxes paid/total home value). As a result, the data exclude property taxes paid by businesses, renters, and others. D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

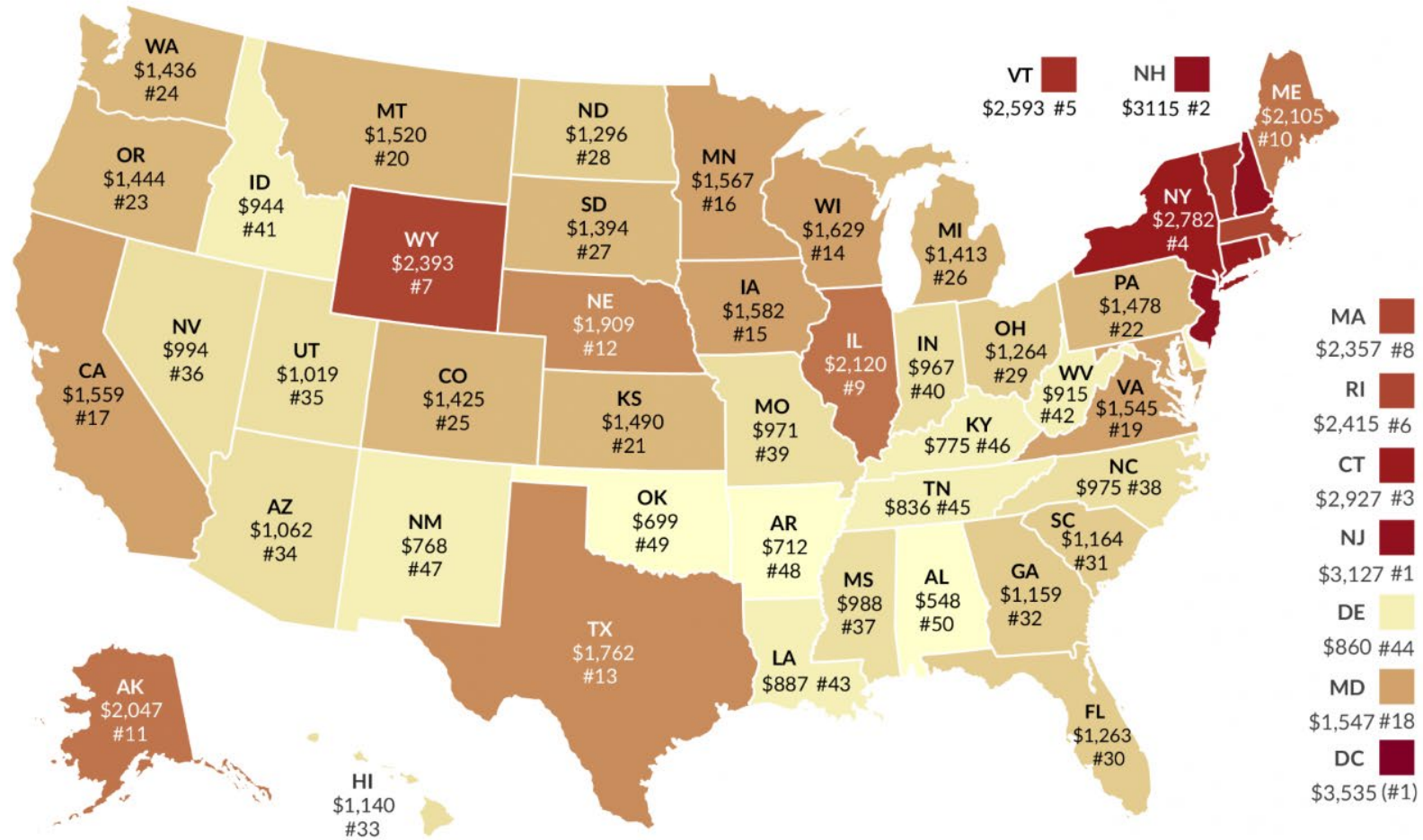
Sources: U.S. Census Bureau, "2019 American Community Survey"; Tax Foundation calculations.

Total Property Taxes Paid as a Percentage of Owner-Occupied Housing Value



How Much Does Your State Collect in Property Taxes Per Capita?

State & Local Property Tax Collections per Capita, FY 2016



Notes: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Source: Census Bureau; Tax Foundation calculations.



THE BEST (AND WORST) OF INTERNATIONAL PROPERTY TAX ADMINISTRATION

COST-IPTI SCORECARD ON THE PROPERTY TAX ADMINISTRATIVE SYSTEMS
OF THE US STATES AND SELECTED INTERNATIONAL JURISDICTIONS

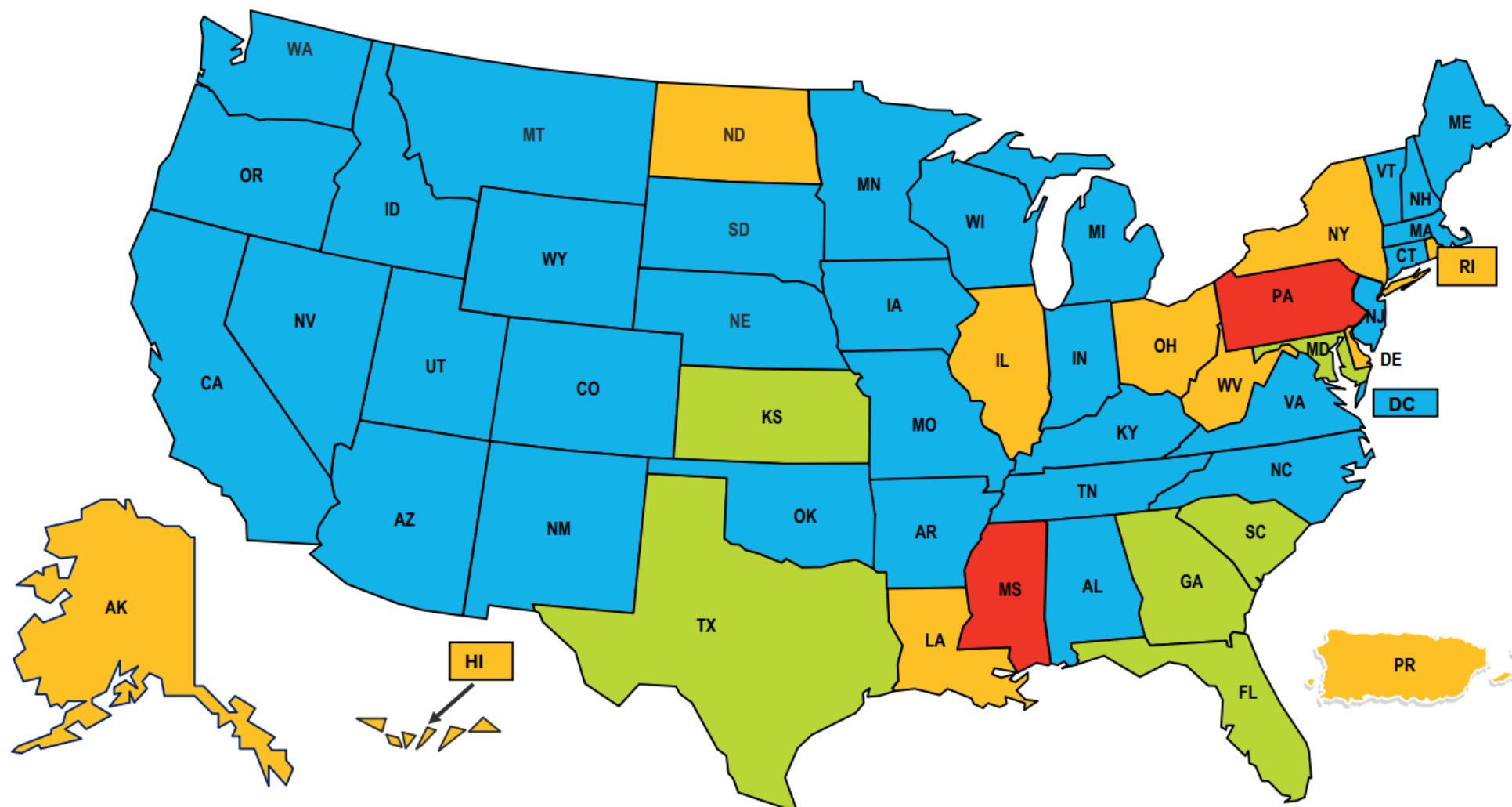
JUNE 2019*

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“The purpose of the Scorecard is to provide tax policymakers with an indication of best practices and a comparative measure of the fairness and efficiency of their property tax administrative practices.”

U.S. States & Puerto Rico Overall Property Tax Scorecard Grade



Grading Key

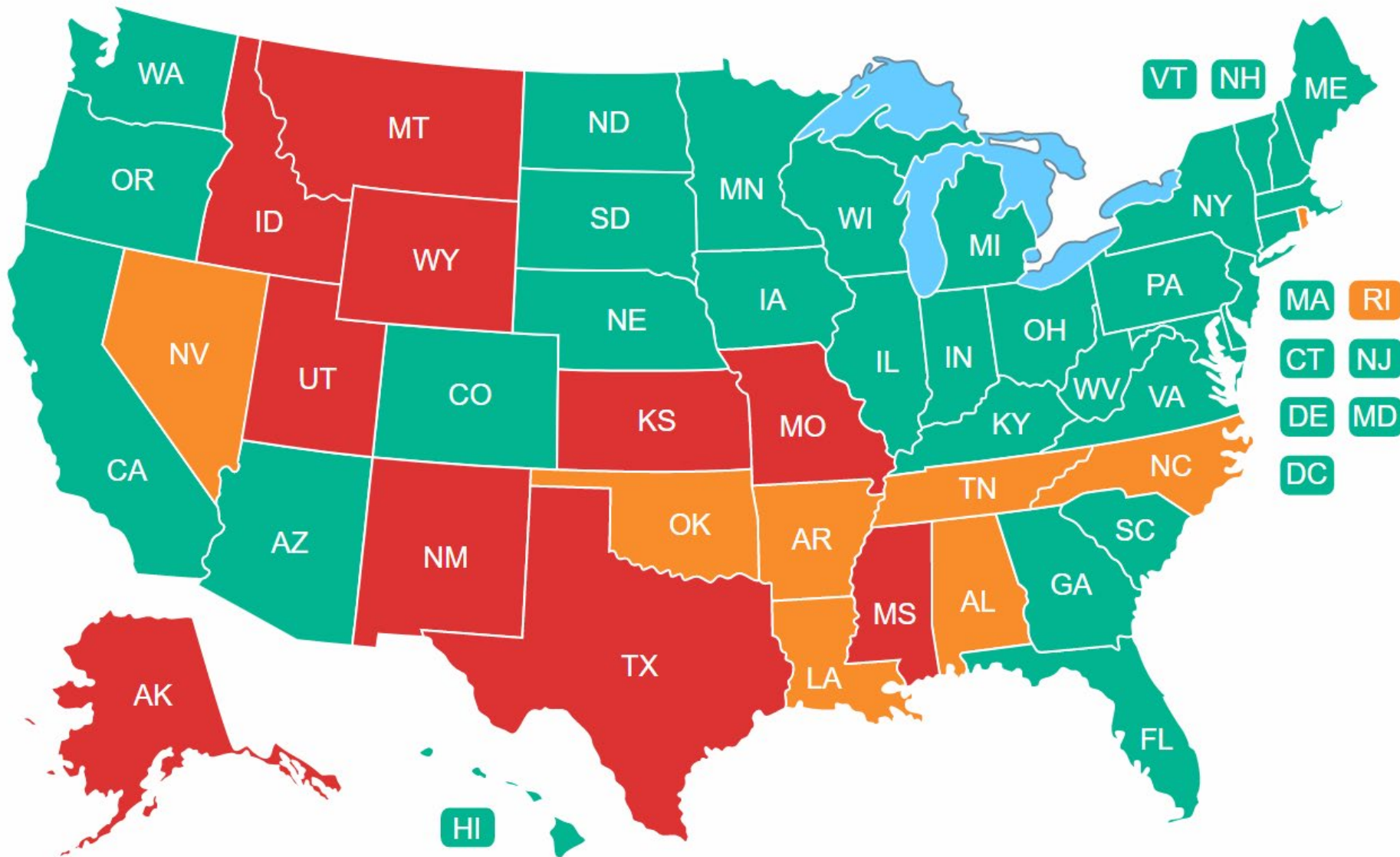
A	B	C	D	F	N/A
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New Mexico—Overall Grade C+

Transparency - B	Consistency - D	Procedural Fairness - B
CENTRALIZED INFORMATION	CENTRAL AGENCY OVERSIGHT	INITIAL REVIEW
Does the state have a website with clear explanations about property taxation?	Does the state regulate local assessors by performing e.g., ratio studies, equalization?	Does the taxpayer have a legal right to a review before a revaluation is finalized?
2 - No.The information provided is limited and is aimed at municipalities, not taxpayers.	1 - The property tax director has supervisory power, and evaluations the correctness of assessors' valuations.	2 - No. Only after a formal protest is filed.
http://www.tax.newmexico.gov/Businesses/appraisal-bureau.aspx	N.M. Stat.Ann. § 7-36-16(B).	
Does the state have a separate website for property tax laws/regulations?	Does the state require the use of standardized forms?	Does the taxpayer have at least 60 days to file the initial appeal of an assessment?
1 - There is a link to the appropriate sections of the New Mexico code and regulations from the above website.	2 - Only centrally assessed properties have standardized forms.	1 - No.The taxpayer has 30 days.
		N.M. Stat.Ann. §7-38-24.
Does the state have a website where its property tax forms are available?	Can a taxpayer challenge a valuation as out of line with comparable properties?	Is the assessor required to produce evidence upon which valuations are based?
1 - Some limited forms are available.	2 - No.There is no specific challenge for uniform and consistent property valuation.	1 - During the discovery portion of the appeals process.
http://www.tax.newmexico.gov/Businesses/appraisal-bureau.aspx		NMAC 3.6.7.36.

VALUATION NOTICE	EQUAL ASSESSMENT PRACTICES	FAIR INDEPENDENT TRIBUNAL
Do taxpayers receive notice at revaluation, even if there is no valuation change?	Does the state have consistent due dates for property tax filings and payments?	Which party bears the burden of proof in connection with an assessment appeal?
0 - Yes.	0 - Yes. Reports are due the last day of February. Payments are due Nov. 10 and Apr. 10.	1 - On the taxpayer, who must show “evidence tending to dispute” the valuation, after which the burden shifts to the county or the assessor.
N.M. Stat.Ann. § 7-38-20.	N.M. Stat.Ann. §§ 7-38-8, 38(A), 86; 7-1-16.	NMAC 3.6.7.13.
Is the valuation notice clear and understandable?	Do the tax rates/assessment ratios/caps apply equally to all taxable properties?	Do taxpayers have a right to independent review introducing new facts and issues?
0 - Yes.The form is standardized by the state.	1 - No, leading to some differences in effective tax rates for commercial versus residential properties.	0 - Yes.Administrative appeals and appeals to the state district court are
N.M. Stat.Ann. § 7-38-20(d); NMAC 3.6.7.29.		N.M. Stat.Ann. §§ 7-38-28, 40; 39-3-1.1.
Does the valuation notice include information on how to appeal?	Are interest rates payable on unpaid property tax, and refunds, equal?	Does the taxpayer have at least 60 days to appeal to an independent tribunal?
1 - Yes, a brief description of the appeals process is included.	2 - Underpayments: 1% per month; Overpayments: property owners share of interest earned by the protested taxes.	1 - No. 30 days from the day of the final decision.
N.M. Stat.Ann. § 7-38-20(d)(13).	N.M. Stat.Ann. §§ 7-38-41; 7-38-49.	N.M. Stat.Ann. §§ 7-28-38, 39-3-1.1, 7-1-25.

VALUATION PRACTICE	ASSESSOR TRAINING/OUTREACH	OTHER PROCEDURAL FAIRNESS
How often is real property valued?	Are assessors/appraisers required to hold recognized professional qualifications?	Is the taxpayer required to pay a fee to make an initial appeal?
0 - Either a one or a two-year cycle, as determined by the county appraiser.	2 - The previous statute exempted gov't workers from its requirements. It is unclear if that exemption still exists.	0 - No fee for initial appeals and only standard court filing fees.
NMAC § 3.6.5.23(C).	N.M. Stat. Ann. § 61-30-10.	
Can taxpayers obtain valuation and/or tax rate information for other assessments?	Are assessors required to meet continued professional development requirements?	Must the taxpayer pay the disputed tax regardless of an ongoing appeal?
1 - Some localities make this information available.	0 - Yes. 30 hours every three years.	0 - If a timely protest is filed, the disputed portions of tax do not become delinquent.
	NMAC 3.6.3.16(G).	N.M. Stat. Ann. § 7-38-46.
Are assessors using recognized valuation methods or are there some restrictions?	Do assessors publicize property tax revaluations?	Do third parties - e.g., municipalities/other taxpayers - have separate appeal rights?
0 - Assessors use M.V. determined by sales, income or cost methods of valuation.	1 - Newspaper publication is required.	0 - No.
N.M. Stat. Ann. § 7-36-15(B).	N.M. Stat. Ann. § 7-38-18.	



Red = Non-Disclosure of sale prices, 10 states including New Mexico

Green = States with Full Disclosure of Sales, 32 States

Orange = "in-between" or partial disclosure of sales to the public, 8 States

Resources and References

- NM Taxation & Revenue Department Website <https://www.tax.newmexico.gov/>
- Property Tax Division <https://www.tax.newmexico.gov/businesses/property-tax-overview/>
- <https://www.cost.org/globalassets/cost/policy-toolkits/fair-property-tax-valuation-of-business-property/2019-international-property-tax-scorecard---final-june-20.pdf>
- <https://taxfoundation.org/?s=property+tax>
- <https://retipster.com/non-disclosure-states-map/>

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