

## What the Assessor Does

The Assessor values all property subject to taxation. The Assessor is required by New Mexico law to discover, list and value all property within the county. Appraised values, as the basis of assessed values, determine the distribution of property tax levies among taxpayers. Only if those values are correct will tax limits, debt limits, and the distribution of state aid to localities be as legislation intended.

Property is taxed at one third (33%) of its appraised value. In addition to the over 41,000 parcels of real property (land, homes, commercial buildings), the Assessor must value other property for taxation purposes, including more than 12,000 manufactured homes, over 3,500 businesses, livestock, farm equipment and any other personal property that is taxable.

The Assessor maintains county parcel maps reflecting current ownership of real property, by accurately tracking all transfers, splits, and subdivisions.

## What the Assessor Does Not Do

The Assessor does not make the laws which affect property owners. The tax laws are made by the voters through the New Mexico State Legislature. The tax rates for assessments are determined by the New Mexico Taxation and Revenue Department according to the budget requirements of each taxing entity (School, City, County, Irrigation District, Etc.). Taxes are collected by the elected

## WHAT ARE YOUR RIGHTS AND RESPONSIBILITIES

If your opinion of the value on your property differs from the Assessor's, **please** go to the office and discuss the matter. Staff will be glad to answer your questions about the appraisal and explain how to appeal if you cannot come to an agreement. **The Assessor's Office relies on the property owner for current and correct information.** You can help by providing accurate information.

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# HOW YOUR PROPERTY IS APPRAISED



**Accurate** appraisals require continual analysis of the local market in order to estimate the **fair market value** of all property.

### **WHAT IS MARKET VALUE?**

Finding the market value of your property involves discovering the price most people would pay for it in its present condition. The assessor must find what this value would be for every property, no matter how big or small. This process is continual, due to the ever-changing conditions of the market.

### **WHY HAVE A PROPERTY TAX?**

Properties are appraised so that those of us who want the advantages of having schools, roads, fire and police protection, and other public benefits (which means most of us), can absorb our fair share of the cost, in proportion to the amount of money our individual properties are worth. The property tax is part of a well-balanced revenue system. It is a more stable source of money than sales and income taxes because it does not fluctuate when communities have recessions. When the community spends your tax dollars on better schools, parks, and the like, your property values rise. Some of the windfall benefits you receive are recaptured by the property tax.

### **HOW PROPERTY IS APPRAISED**

To find the value of any piece of property the Assessor must first know what properties, similar to it, are selling for; what it would cost today to replace it; how much it takes to operate and keep it in repair, and what rent it may earn. There are other dollar facts affecting its value, such as the current rate of interest charged for borrowing the money to buy or build properties like it. Using these facts, the Assessor can then go about finding the property's value in three different ways.

**Sales Comparison Approach:** The first method compares your property to others that have sold recently. These prices, however, must be analyzed very carefully to get the true picture. One property may have sold for more than it was really worth because the buyer was in a hurry and would pay any price. Another may have sold for less money than it was actually worth because the seller needed cash right away. The property was sold to the first person that made an offer. When using the sales comparison approach, the assessor must always consider such overpricing or underpricing and analyze many sales to arrive at a fair valuation of your property. Size, quality, condition, location, and time of sale are also important factors to consider.

**Cost Approach:** The second method used to value your property is based on how much money it would take, at current material and labor costs, to replace your property with one similar. If your property is not new, the assessor must also determine how much it has depreciated. In addition, the assessor must estimate how much a lot like yours would be worth if vacant.

**Income approach:** The third method is to evaluate how much income your property would produce if it were rented as an apartment, house, store, or a factory. The Assessor must consider operating expenses, taxes, insurance, maintenance costs, and the return most people would expect on your kind of property.

### **WHY ASSESSED VALUES MAY CHANGE FROM YEAR TO YEAR?**

When market value changes, naturally so does assessed value. For instance, if you were to add a garage to your home, the assessed value would increase. However if your property is in poor repair assessed value would decrease.

**The Assessor has not created the value.** Buyers and sellers create value by their transactions in the market place. The Assessor simply has the legal responsibility to study those transactions and appraise your property accordingly.