

TAX RATES

Two basic types of rates exist --- operating rates that finance ongoing operations of governments, and debt rates used to finance long-term capital improvements. Voters approve debt rates for a limited time. Governing bodies of imposing entities, for example city councils and county boards of commissioners within limits, impose operating rates. If you believe rates are too high (or low) in your jurisdiction, take a serious look at how your county commission and city council are funding operations, as well as proposed rates in bond elections, and vote accordingly. About half of all New Mexico property taxes result from operating rates. The remaining results from self-impositions by votes of taxpayers.

Remedies: Protests and Similar Procedures

Property owners may protest assessed value, classification, and allocation of value or denial of exemption. In many cases, however, a protest may be unnecessary. The most common type of protest is over assessed value. If you think your assessment is higher than it ought to be the first thing to do, is simply talk with representatives of the Assessor's Office and explain why you think your assessed value is too high. You must do this within 30 days of receiving your notice of value. After this time it becomes increasingly difficult to change your assessed value.

If you remain convinced your assessed value is too high, you may file a protest with the County Assessor, or in cases where property is assessed by the State of New Mexico, with the State Assessed Property Unit of the New Mexico Taxation and Revenue Department. You may protest by 1) filing a petition of protest with the County Assessor (State of New Mexico in the case of state-assessed properties) when you receive your valuation notice, or 2) filing a claim for refund in the district court after paying the first installment of taxes due. If you file a petition of protest, you may not simultaneously file a claim for refund in a district court. If you are unhappy with the protest petition results, you may then file an appeal with the district court.

Other Taxpayer Rights

In addition to tax reductions resulting from exemptions, New Mexico property taxpayers are provided with a number of other rights. These include:

The right to information about how your assessed value and property tax rates are determined.

The right to prompt, courteous and accurate responses to questions and requests for tax assistance -- from people employed by the Taxation and Revenue Department and county governments as well as individuals employed by other governmental entities.

The right to have your tax information kept confidential unless otherwise specified by law. Property tax obligations and assessed values are not confidential under New Mexico law. Income data employed in calculating the value of commercial property is confidential.

The right to pay your tax obligations in at least two annual installments. In some counties quarterly payments are allowed.

The right to protest value, classification, allocation of value or denial of exemption.

The right to a fair assessment. The right to be notified of an impending sale of property for payment of past-due taxes, penalty and interest.

The right to pay past-due taxes, penalty and interest by the morning of the day on which sale of property would occur due to unpaid taxes. New Mexico does not have a "statutory right of redemption" which allows owners to reclaim properties after the properties have been sold for payment of taxes.

The right to a reduction in assessed value due to a number of causes, for example, to fire damage. Owners should notify county assessors by the last

ATTENTION HOME BUYERS!!

SOME LAWS THAT AFFECT PROPERTY TAXES!



San Juan County Assessor

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Terms used to describe property Values

Assessed value is simply an Assessor's estimate of market value. This term is sometimes referred to as full value. New Mexico laws prevent property taxes being imposed on more than one-third of market value. **Taxable value** is therefore one-third of assessed value. Since the laws also allow for some exemptions, **net taxable value** is taxable value minus exemptions. Net taxable value is the figure on which rates are applied to produce obligations or **taxes due**.

In summary:

Assessed value = Assessor's estimate of market value.

Taxable value = one third of assessed value.

Net taxable value = taxable value less exemptions.

Tax due = net taxable value multiplied by the tax rate.

Rates : In San Juan County, rates are expressed in mills or 1\$ per \$1,000 in net taxable value. Suppose a property's assessed value is \$120,000 and the owner qualifies for a \$2,000 head-of-household exemption. If the jurisdictions in which the property is located impose rates totaling 30 mills, the property tax obligation will be \$1,140:

$$\begin{aligned} \$120,000 / 3 &= \$40,000 \text{ (assessed value divided by 3)} \\ &- \underline{\$2,000} \text{ (less exemptions)} \\ &\quad \$38,000 \times .03 \text{ (mills divided by 1000)} \\ &= \$1,140 \text{ (net taxable value } \times \text{ rate = Tax due)} \end{aligned}$$

Counties bill and collect taxes for all the governmental entities utilizing tax dollars in the county. Rates apply to all properties in a particular jurisdiction (city, school district and county), all governmental entities (city, schools, college, and county) in the jurisdiction are simply added together. The mill rate in Farmington city limits for 2008, for example, was 22.882 mills for a residential home.

Various exemptions are available for qualifying property owners. These are explained in detail in a brochure titled "Property Tax Relief" which is available free from the Assessor's Office.

THE CAP

Residential property values cannot be increased more than 3% in any one year or 6.1% for any two year period. Provided there has been no substantial remodeling or new additions to the home. This is good news for the person who has owned his home for a number of years, BUT...the law further states that the Assessor must re-value the home at market value, when it is sold.

Example: Mr. & Mrs. Smith purchased a home in Farmington in 1978 for \$46,500, through the years the home has increased in assessed value to \$98,000. Driven by a sellers market, similar houses are now selling for between \$150,000 and \$200,000. In September Mr. & Mrs. Smith retire and move to Alaska. Mr. & Mrs. Jones purchase the home for \$168,000 and assume the property tax will be the same as last year, but the home's assessed value is now \$160,000. Property taxes on this home in the year following the sale will be higher, based on the new assessed value.

Problem: The purchaser's mortgage company computes the mortgage payment and bases the amount needed for property tax on last years taxes. This will ultimately result in a shortage in the escrow account and the property owner will see an increase in the monthly mortgage payment or, in some instances, will be billed the additional amount due to correct the imbalance.

Please use the tax rate calculator on the Assessor's webpage www.sjassessor.net to

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Estimate Your Property Tax

Market Value of your home:	=	_____
(List Price, Sale Price, Appraisal)		(Total Value)
Total Value divided by 3	=	_____
		(Total Taxable Value)
Find tax rate: (See table below)		
Taxable Value x Tax Rate:	x	_____
		(Tax Rate)
Tax amount subtotal:	=	_____
If applicable, add :		
Special Levy	+	_____
Water	+	_____
Livestock/Farm Equip	+	_____
Estimated total tax due	=	_____

2008 Residential Tax Rates By school district. ‘IN’= inside city limits “OUT”= outside city limits

Aztec 2-IN	.021837
Aztec 2-OUT	.016977
Farmington 5-IN	.022882
Farmington 5-OUT	.021425
Bloomfield 6-IN	.026752
Bloomfield 6-OUT	.019379
Kirtland 22	.020883
Special 61/20	.024350

Remember, this is an estimate based on some assumptions, and many factors that are subject to change from year to year.

**IF YOU HAVE QUESTIONS, PLEASE
CONTACT THE ASSESSOR'S OFFICE!**