



Additional Information Sources

For additional information on the New Mexico property tax system, see the Property Tax Division's web page. You can get there from the state's main page:

www.state.nm.us

For San Juan County Tax information see San Juan County's web page at

www.sjcounty.net

Use the index to find departments then select either Assessor or Treasurer to find san juan county information.

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PROPERTY VALUES AND TAXES

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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 less, or net of, exemptions. Net taxable value is the figure on which rates are applied to produce *obligations* or taxes due.

Legislation enacted in January of 2000 limits increases in assessed values of residential properties to 3 percent annually - 5 percent in some cases. During the 2000 Legislative Session, a law was also enacted that will freeze assessed values of properties owned by low-income elderly taxpayers.

In summary:

- Assessed value = assessor's estimate of market value.
- Taxable value = a of assessed value.
- Net taxable value = taxable value less exemptions.
- Obligations or taxes due = net taxable value x rate.

Rates can be expressed in a number of ways. In New Mexico, rates are expressed in mills or \$ 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, property tax obligations will be \$1,140:

$$\begin{aligned}
 \$120,000 \times 30 &= \$40,000 \text{ (assessed value) } \times 30 = \text{taxable value} \\
 &\quad - \underline{\$2,000} \text{ (less exemptions)} \\
 &= \$38,000 \times 30 / \$1,000 = \$1,140
 \end{aligned}$$

New Mexico State Taxation and Revenue Department sets the rate for each government authorized to impose property tax. Counties bill and collect taxes for all governments imposing tax in the county. Since rates generally apply to all properties in a particular jurisdiction, rates set by all government entities in the jurisdiction are simply added together to determine the total mill rate.

Exemptions

Unless specifically exempt under statute, all tangible real and personal property located in New Mexico is subject to property tax. Personal property is property that is not permanently attached to the ground. A kitchen sink, for example, is personal property until it is installed. Once it is installed, it is real property. Real property includes land and everything attached to it.

Exemptions from New Mexico property taxes include personal property held as inventory for sale or resale, certain personal property warehoused in New Mexico, household personal effects and licensed vehicles. A \$2,000 head-of-household and the \$4,000 veteran's exemption may be also be granted if you qualify. Additionally, any property that is exempt from taxation under federal law and the state constitution is exempt. Other examples of exempt property include assets owned by exempt, typically non-profit entities, motor vehicles other than motor homes, and noncommercial aircraft. Examples of property that you might expect to be exempt from property taxation, but are not, include property owned by rural electric cooperatives and community water associations, church property used for commercial purposes and property owned by another state. Claims for exemption must be applied for no later than the last day of February of the tax year in which they must be claimed.

Article 8 of the New Mexico Constitution states that some property is not subject to taxation, including: 1) property owned by the US government, state and all counties, towns, cities and school districts and other municipal corporations, public libraries, community ditches and their laterals (branches); 2) church property used for religious purposes; 3) property used for educational or charitable purposes; 4) cemeteries not used or held for private or corporate profit; 5) bonds issued by the State of New Mexico, its counties, municipalities and districts.

Church, Educational and Charitable exemptions require that the primary and substantial use of the property must be for religious, educational, or charitable purposes. All churches, educational, and charitable organizations must claim their exemption for it to be allowed. Claim forms may be obtained from the Assessor's office.

These normally exempt properties may be taxed in some circumstances; for instance, if they were subject to a lien from any tax or assessment for the principal or interest of bonded indebtedness before their transfer to any of the owners listed above.

Remedies: Protests Appeals

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. The best time to do this is within 30 days of receiving your notice of value. After this time it becomes increasingly difficult to change your assessed value.










If you still think your assessed value may be too high, you can do a number of things to discover whether it is. For example, since assessed values are public records, you may visit the assessor's office and research assessed values of properties that are similar to yours within your neighborhood (or any other neighborhood). Simply provide the assessor's office with the address of the property you're interested in and they will help you get started in your research. You may also pay for a private appraisal of your property. Although sometimes expensive, private appraisals are useful for a number of purposes, including evidence if you decide to protest your value.

A number of additional avenues are available for determining whether your assessed value exceeds market value. These include discussions with real estate salespeople, discussing prices paid for houses in your neighborhood with neighbors, and consulting multiple listing service (MLS) data on listing prices for properties currently for sale. Much of this information -- for example MLS listing data -- is available on the Internet for most New Mexico locations.

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, fire damage. Owners should notify the county assessor by the last day of February of, a tax year if they believe their values have been reduced.
-  the right to know assessed values of properties owned by others — essential for a fair tax system.