

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

AN ACT
RELATING TO PROPERTY TAXATION; EXPANDING THE DEFINITION OF
"AGRICULTURAL USE" FOR PROPERTY VALUATION PURPOSES TO INCLUDE
THE RESTING OF LAND UNDER CERTAIN CONDITIONS.

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

B. For the purpose of this section:

(1) "agricultural products" means plants,
crops, trees, forest products, orchard crops, livestock,

1 poultry, captive deer or elk, or fish; and

2 (2) "agricultural use" means the:

3 (a) use of land for the production of
4 agricultural products;

5 (b) use of land that meets the
6 requirements for payment or other compensation pursuant to a
7 soil conservation program under an agreement with an agency
8 of the federal government;

9 (c) resting of land to maintain its
10 capacity to produce agricultural products; or

11 (d) resting of land as the direct
12 result of at least moderate drought conditions as designated
13 by the United States department of agriculture, if the
14 drought conditions occurred in the county within which the
15 land is located for at least eight consecutive weeks during
16 the previous tax year; provided that the land was used in the
17 tax year immediately preceding the previous tax year
18 primarily for a purpose identified pursuant to this
19 paragraph.

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

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

1 purposes. The rules shall:

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

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

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

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

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

24 (6) provide for the periodic review by the
25 department of determined production capacities and
capitalization rates used for determining annually the value
of land used primarily for agricultural purposes.

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

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

 H. Any person who is required to make a report
under the provisions of Subsection G of this section and who

1 fails to do so is personally liable for a civil penalty in an
2 amount equal to the greater of twenty-five dollars (\$25.00) or
3 twenty-five percent of the difference between the property
4 taxes ultimately determined to be due and the property taxes
5 originally paid for the tax years for which the person failed
6 to make the required report."

7 SECTION 2. APPLICABILITY.--The provisions of this act
8 apply to the 2016 and subsequent property tax years.=====

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25