



NEW MEXICO DEPARTMENT OF
FINANCE & ADMINISTRATION

**LOCAL GOVERNMENT DIVISION
BUDGET AND FINANCE BUREAU
PROPERTY TAX FACTS FOR TAX YEAR 2021**

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Introduction

The Property Tax Facts (“Facts”) are intended to primarily help analysts, legislators and others understand the probable fiscal impact of proposed legislation changes to current New Mexico property tax statutes.

Information in this document is derived primarily from three sources: 1) rate certificates developed annually by the Local Government Division of New Mexico Department of Finance and Administration (DFA); 2) “Abstract” forms containing statistical summaries provided by county assessors; and 3) data supplied by the State Assessed Bureau, Property Tax Division ¹ of the New Mexico Taxation and Revenue Department (TRD).

This publication provides a series of charts and tables depicting 1) distribution of New Mexico tax obligations or revenues, assuming 100 percent collection; 2) various statewide aggregates by county, such as net taxable value and tax obligations; 3) various types of rate data; 4) property tax information pertaining to municipalities. In some cases, the order of presentation of the charts and tables varies from the above due to space considerations.

Since readers of the report may not be familiar with New Mexico’s property tax system, explanatory notes pertaining to figures and tables in the document are provided, beginning on page 4.

¹The State Assessed Bureau of the Taxation and Revenue Department’s Property Tax Division is also sometimes called the “Central Assessed Bureau”. It assesses property that is complex and difficult by nature to appraise or is located in more than one county. Examples include railroad and mineral extraction properties.

Table and Chart Notes

Table 1: Net Taxable Value by County

The net taxable value of New Mexico property is expected to total approximately \$70.0 billion in Tax Year 2021². Approximately \$40.7 billion (58.3%) consists of residential property. Roughly 28.6% or \$20.0 billion consists of traditional nonresidential property. The remaining 13.1% or \$9.2 billion is property associated with mineral extraction, property commonly referred to as ad valorem production and production equipment.³

Table 2: Obligations by County

In Tax Year 2021 the property tax system is expected to generate approximately \$2.0 billion in tax obligations revenues assuming 100% collection.⁴ The distribution within property categories is similar to that of net taxable value with 59.2% paid by owners of residential property. The remaining obligation is paid by owners of traditional nonresidential property (29.8%) and mineral extraction production and equipment (11.0%).

Table 3: Distribution of Obligations by Recipient

Recipients include counties, municipalities, school districts and other entities – hospitals, institutions of higher education and various special districts. Revenues have been distributed roughly as follows: 30.4% to counties; 14.2% to municipalities; 32.8% to school districts; 10.1% to higher education and 7.9% to hospitals and other entities. About 4.6% of the revenues have financed voter-approved capital construction projects administered by the State Board of Finance. The distributions vary annually in response to rate changes authorized by voters and governing bodies – primarily municipal councils and county commissions. Distributions also vary substantially with property location, as shown in later sections of this report.

Table 4: Uses of Property Tax Obligations by Major Recipients

Data in this table portray the distribution of recipient uses calculated from figures in Table 3. Approximately 91.0% and 65.4% of revenues flowing to counties and municipalities respectively, fund ongoing operations. The remaining 9.0% and 34.6% of those governmental entities is to pay debt service and other obligations. A very small portion of school district revenues, approximately 3.7%, fund operations. Remaining school district revenues pay for capital construction projects.

Table 5: Distribution of Net Taxable Value in and Outside Municipalities

The net taxable value of properties within municipalities account for 53.0% of the total state net taxable value. The net taxable value of properties outside municipal boundaries accounts for 47.0% of this total. 74.5% of the net taxable value in municipalities is residential property, and 25.5% is nonresidential. Conversely, only 40.0% of the net taxable value outside municipalities is residential and 60.0% is non-residential. Of the \$70.0 billion in total net taxable value, 58.3% is residential, and 41.7% is nonresidential.

²Section 7-35-2 P, New Mexico Statutes Annotated, defines the term “tax year” as calendar year.

³For a description, please see the Taxation and Revenue Department web site at:

<https://www.tax.newmexico.gov/all-nm-taxes/oil-natural-gas-mineral-extraction-taxes/>

⁴Please see Table 10 for 3-year average collection rates reported by County Treasurers.

Table 6: Weighted Average Property Tax Rates by County in Mills

The data displays average property tax rates for a particular class of property – residential or non-residential -- weighted in proportion to taxable value of the tax district in which the rates appear. The Certificates of Tax Rates serve to illustrate the calculation.

Table 7: Approximate Property Tax Obligations -- Percent of Assessed Value

Although not apparent, data in Table 7 are actually rates without the mill designation. Rates in many states are expressed as the ratio or tax obligations to the assessed or market value. Assessed value in New Mexico is three times net taxable value, plus exemptions. Assuming no exemptions, and multiplying net taxable value by three, generates an estimate of assessed value. By adjusting the data for the state's \$2,000 head of household exemptions and \$4,000 veterans' exemptions produces data smaller than, but similar to, those in Table 7. In any case, property tax obligations currently average slightly less than one or 0.987% of net taxable value, as shown in the final figure in Table 7.

Table 8: County Operating Rates -- Imposed, Actual and Remaining Authority

Article 8, Section 2 of New Mexico's constitution limits property tax rate totals that have not been approved by voters to 20 mills. New Mexico statutes distribute the rate totals as follows: 11.85 mills to counties, 7.65 mills to municipalities, and .5 mills to school districts ($11.85 + 7.65 + .5 = 20$). Hence governing bodies of counties, municipalities and school districts may impose the rates listed above without voter approval.⁵ When entities impose the maximum authorized rates, they possess no remaining rate authority.

The first two columns of Table 8 display actual or "post yield control" county operating rates – rates resulting after the imposed rate has filtered through the yield control formula, reduces the rate in response to reassessment. Since yield control has had a greater impact on residential rates than non-residential rates, nonresidential operating rates are almost always higher than their residential counterparts. Actual rates will not exceed the imposed rate.

Ad Valorem Production and Equipment rates are essentially always the same as the imposed rates, because they are not subject to yield control.

At the current date, the majority (67%) of counties have already imposed the maximum allowable rate.

Table 9: Per Capita Obligations by County

Obligations per person average about \$976 statewide. High per capita figures for a particular jurisdiction typically reflect high rates or high taxable values of properties to which the rates are applied. High figures for Harding County, for example, reflect its extremely small population, coupled with relatively high ad valorem tax collections. The large Lincoln County tax per capita amount is probably due to absentee property ownership in Lincoln's resort areas. The tax per person is simply the total tax obligations associated with properties in a given area divided by the population of permanent residents in the area. The figure is high when much of the property in a particular area is owned by individuals who do not live in the area.

Table 10 County Collection Rates

Counties collect all of the state's property tax revenues except payments against ad valorem production and equipment obligations. When tax bills remain unpaid for three or more years, the associated

⁵Voter-approved rates are used primarily to service debt on capital construction projects, although some may be used for operating purposes. About half the state's existing rates were approved by voters.

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properties are offered for sale by the TRD’s Delinquent Property Bureau. Proceeds of the sales, other than penalty and interest retained by TRD, are distributed to property tax recipients.

Tables 11 and 12: Net Taxable Value and Obligations by County – Percent of State Total

The data in Tables 11 and 12 are best understood when considered within the context of county population totals. Bernalillo County, for example, currently accounts for approximately 31.95% of the state’s population. That county’s total net taxable value of property taxpayers represents only 25.9% of the state’s total. When ad valorem production and equipment value is excluded in the net taxable value total, Bernalillo County net taxable value totals approximately 29.8% of the statewide total, (which is very close to the county’s share of the state population). The largest concentration of mineral extraction properties are in, Eddy, Lea, San Juan and Rio Arriba counties. However, very small portions of the state’s residential tax base are in these counties. Perhaps the most dramatic data in Table 12 is the 46.4% of statewide residential property tax obligations accruing to Bernalillo County residents. That is due to the relatively high rates in that county. Taxpayers in Bernalillo, Dona Ana, Sandoval and Santa Fe counties account for about 56.65% of the state’s population but pay about 75.3% of its residential property taxes.

Figure 1: County Population Estimates*: Rank and Percent of State Total

County	Population	Rank	Percent of State Total	County	Population	Rank	Percent of State Total
Bernalillo	676,444	1	31.95%	McKinley	72,902	8	3.44%
Catron	3,579	31	0.17%	Mora	4,189	28	0.20%
Chaves	65,157	10	3.08%	Otero	67,839	9	3.20%
Cibola	27,172	17	1.28%	Quay	8,746	26	0.41%
Colfax	12,387	24	0.58%	Rio Arriba	40,363	13	1.91%
Curry	48,430	12	2.29%	Roosevelt	19,191	21	0.91%
De Baca	1,698	32	0.08%	San Juan	121,661	5	5.75%
Dona Ana	219,561	2	10.37%	San Miguel	27,201	16	1.28%
Eddy	62,314	11	2.94%	Sandoval	148,834	4	7.03%
Grant	28,185	15	1.33%	Santa Fe	154,823	3	7.31%
Guadalupe	4,452	27	0.21%	Sierra	11,576	25	0.55%
Harding	657	33	0.03%	Socorro	16,595	22	0.78%
Hidalgo	4,178	29	0.20%	Taos	34,489	14	1.63%
Lea	74,455	7	3.52%	Torrance	15,045	23	0.71%
Lincoln	20,269	19	0.96%	Union	4,079	30	0.19%
Los Alamos	19,419	20	0.92%	Valencia	76,205	6	3.60%
Luna	25,427	18	1.20%	TOTAL	2,117,522		100.00%

*Source: New Mexico County Populations from UNM BBER 2020 Census Population Data by County
<https://bber.unm.edu/2020-census>

Tables 13 and 14: Net Taxable Value and Obligations by County, Percent of County Total

The Tables 13 and 14 illustrate the dramatic differences between the distribution of property tax base and obligations among counties by property type. About 87.5% of net taxable value in Los Alamos County, for example, consists of residential property, compared to 8.8% in Harding County. Ad Valorem production and equipment represents 53.2% of net taxable value in Eddy County and 64.6% in Lea County. Differences in relative shares of obligations, compared to net taxable value among counties, reflect 1) impacts of the yield control formula; 2) number of jurisdictions that extend across state lines; and 3) impacts of some tax collecting entities, (i.e. various community colleges) not imposing taxes in all jurisdictions within a particular county.

Tables 15 and 16: Obligations for County Operating and Debt Service Purposes

Obligations for operating purposes range from a high of \$140.0 million in Bernalillo County to a low of \$700.8 thousand in Harding County. On a statewide per capita basis, obligations average about \$270. Ten counties impose property tax rates for debt service purposes. The largest county debt service obligation total is Bernalillo County at approximately \$22.9 million and Santa Fe County is second at approximately \$17.0 million.

Figure 2: Rate Location Map (Page 17)

Figure 2 illustrates the approximate location of “tax districts” within counties. It does not sketch municipal boundaries, though the map indicates approximate municipal locations. NM Taxation and Revenue Division’s Information Systems Bureau publishes this information on their website and can

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be accessed by the following link: <https://www.tax.newmexico.gov/businesses/geographic-information-system-gis/maps/>

Table 17: Rates by Location

Table 17 reflects over 500 rate totals in New Mexico. The highest traditional residential and nonresidential rates are in Albuquerque – 41.492 and 46.826 mills respectively. The lowest residential rate, in an unincorporated region of Chaves County, totals 9.080 mills. The lowest nonresidential rate of 14.210 mills, is in the same unincorporated portion of Chaves County. The highest rate applicable to ad valorem production and equipment, (42.470 mills), applies to properties within an unincorporated area of Rio Arriba County. The lowest, (14.210 mills), is applied to properties in an unincorporated area of Chaves County.

Table 18: New Mexico’s 106 Municipalities – Their Associated Counties

This table lists all New Mexico municipalities and the counties in which they exist. Tax Year 2017 was the first year reporting the incorporated areas for the Town of Edgewood that are within Bernalillo and Sandoval Counties. Although the Town of Edgewood’s incorporated boundaries are in three counties – Bernalillo, Sandoval and Santa Fe – the majority (or approximately 98.9%) of Edgewood’s net taxable value is in Santa Fe County.

Table 19: Municipal Operating Rates – Imposed, Actual and Remaining Authority

Article 8, Section 2 of New Mexico’s constitution limits property tax rate totals that have not been approved by voters to 20 mills. New Mexico statutes distribute the rate totals as follows: 11.85 mills to counties, 7.65 mills to municipalities, and .5 mills to school districts ($11.85 + 7.65 + .5 = 20$). Hence governing bodies of counties, municipalities and school districts may impose the rates listed above without voter approval.⁶ When entities impose the maximum authorized rates, they possess no remaining rate authority. At the current date, the majority of municipalities have already imposed the maximum allowable rate.

The first two columns of Table 19 display actual or “post yield control” municipal operating rates – rates resulting after the imposed rate has filtered through the yield control formula, reduces the rate in response to reassessment. Since yield control has had a greater impact on residential rates than non-residential rates, nonresidential operating rates are almost always higher than their residential counterparts. Actual rates will not exceed the imposed rate.

Ad Valorem Production and Equipment rates are essentially always the same as the imposed rates, because they are not subject to yield control.

Multiplying the maximum 7.65 mill rate by 106 municipalities and comparing the result with the sum of rates imposed by municipalities suggests that 64.90% percent of the total rate authority has been imposed by the state’s municipal governments. This is slightly lower than the percent of counties imposing their maximum and is probably due to significant reliance by municipalities on gross receipts taxes instead of property taxes to fund operations.

Table 20: Net Taxable Value by Municipality

Net taxable value of New Mexico’s municipalities totals \$37.0 billion, if Los Alamos is not included, and \$37.9 billion if Los Alamos is included in the total. That value represents approximately 54.3% of the

⁶Voter-approved rates are used primarily to service debt on capital construction projects, although some may be used for operating purposes. About half the state’s existing rates were approved by voters.

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state's total net taxable value. Los Alamos is the only entity in New Mexico that combines municipal and county governments.

Municipal net taxable values range from a high of \$14.8 billion in Albuquerque, to a low of \$743.4 thousand in Grady. Net taxable value is less than \$1 million in each of 3 municipalities: (Grady, Grenville, and Hope). Net taxable value is distributed between \$1 million and \$10 million in 28 municipalities, between \$10 million and \$100 million in 40 municipalities and between \$100 million and \$1 billion plus in 35 municipalities. There are 106 incorporated municipalities in the state.

Tables 21 and 22: Obligations for Operating and Debt Service Purposes by Municipality

Municipal operating revenues will total approximately \$191.5 million in 2021 assuming a 100% collection rate. The largest amount of operating revenue for any municipality is paid by Albuquerque property owners and will total \$92.7 million, which is slightly less than half of the \$191.5 million municipal total in 2021. Rio Rancho's approximate \$18.5 million in obligations for operating purposes was the state's next largest amount in 2021. Anthony, Kirtland, and Los Ranchos de Albuquerque did not impose operating rates in Tax Year 2021.

Only 19 of New Mexico's municipalities impose property rates for the purpose of funding debt service and 78.77% of this debt is paid by owners of residential property. The resulting approximately \$95.8 million in obligations represents about 4.64% of statewide property tax obligations.