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SENATE BILL 350

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

Peter Wirth and Steven P. Neville

AN ACT

RELATING TO PROPERTY TAX; CREATING A SPECIAL METHOD OF
VALUATION FOR LAND PREVIOUSLY USED FOR AGRICULTURAL PURPOSES;
PROVIDING FOR A RECAPTURE OF TAX SAVINGS IF THE LAND IS
SUBSEQUENTLY SUBDIVIDED OR IS DEVELOPED FOR PURPOSES OTHER THAN
FOR AGRICULTURAL USE; PROVIDING A PENALTY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Property Tax Code,
Section 7-36-20.1 NMSA 1978, is enacted to read:

"7-36-20.1. [NEW MATERIAL] SPECIAL METHOD OF VALUATION--
LAND PREVIOUSLY USED FOR AGRICULTURAL PURPOSES--RECAPTURE--
PENALTY.--

A. The value of land that, in at least one of the
previous three years, had been valued pursuant to Section
7-36-20 NMSA 1978 but is no longer eligible to be valued

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1 pursuant to that section shall be determined on the basis of
2 the land's capacity to produce agricultural products multiplied
3 by a factor of two; provided that:

4 (1) except as provided in Subsection B of this
5 section, the value shall not exceed fifty percent of the market
6 value of the property;

7 (2) the property is maintained in compliance
8 with all local, state and federal environmental protection
9 rules and regulations;

10 (3) the property is maintained in compliance
11 with rules of the state and its political subdivisions
12 regarding maintenance of property, including controlling
13 noxious weeds, keeping community ditches or acequias in working
14 condition and keeping the land free of nuisances; and

15 (4) to prevent blowing dust, a cover crop is
16 planted and maintained to provide soil cover on the property if
17 the soil would otherwise be bare.

18 B. If the land had been valued in at least one of
19 the previous three years pursuant to Subsection A of this
20 section as grazing land and livestock was located on the land
21 in that year, the value of the livestock as determined pursuant
22 to Section 7-36-21 NMSA 1978, multiplied by a factor of two,
23 shall be added to the value of the land.

24 C. All improvements, other than those specified in
25 Section 7-36-15 NMSA 1978, on land used primarily for

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1 agricultural purposes shall be valued separately for property
2 taxation purposes, and the value of these improvements shall be
3 added to the value of the land determined under this section.

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

15 E. If the owner of the land that is valued pursuant
16 to this section subdivides the land or develops the land for
17 purposes other than for agricultural use, the owner shall pay
18 the difference between the taxes assessed against the land and
19 the taxes that would otherwise have been assessed against the
20 land for each of the number of years the land was valued
21 pursuant to this section, up to five years, to be collected and
22 distributed in the same manner as other ad valorem levies.

23 F. The owner of land valued under this section
24 shall report to the county assessor whenever the use of the
25 land changes so that it no longer meets the requirements of

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1 this section. This report shall be made on a form prescribed
2 by department rules and shall be made by the last day of
3 February of the tax year immediately following the year in
4 which the change in the use of the land occurs.

5 G. Any person who is required to make a report
6 under the provisions of Subsection F of this section and who
7 fails to do so is personally liable for a civil penalty in an
8 amount equal to the greater of twenty-five dollars (\$25.00)
9 or twenty-five percent of the difference between the property
10 taxes ultimately determined to be due and the property taxes
11 originally paid for the tax years for which the person failed
12 to make the required report.

13 H. For the purpose of this section:

14 (1) "agricultural products" means plants,
15 crops, trees, forest products, orchard crops, livestock,
16 poultry, captive deer or elk, or fish; and

17 (2) "agricultural use" means the:

18 (a) use of land for the production of
19 agricultural products;

20 (b) use of land that meets the
21 requirements for payment or other compensation pursuant to a
22 soil conservation program under an agreement with an agency
23 of the federal government;

24 (c) resting of land to maintain its
25 capacity to produce agricultural products; or

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1 (d) resting of land as the direct
2 result of at least moderate drought conditions as designated
3 by the United States department of agriculture, if the
4 drought conditions occurred in the county within which the
5 land is located for at least eight consecutive weeks during
6 the previous tax year; provided that the land was used in the
7 tax year immediately preceding the previous tax year
8 primarily for a purpose identified pursuant to this
9 paragraph."

10 SECTION 2. APPLICABILITY.--The provisions of this act
11 apply to the 2018 and subsequent property tax years.

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