

1 SENATE BILL 394

2 **56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

3 INTRODUCED BY

4 Roberto "Bobby" J. Gonzales

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10 AN ACT

11 RELATING TO PROPERTY TAX; CREATING A SPECIAL METHOD OF
12 VALUATION FOR CONSERVED UNIMPROVED LAND; MAKING AN
13 APPROPRIATION.

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

16 SECTION 1. A new section of the Property Tax Code is
17 enacted to read:

18 "[NEW MATERIAL] SPECIAL METHOD OF VALUATION--CONSERVATION
19 OF UNIMPROVED LAND.--

20 A. The value of unimproved land used primarily to
21 conserve the unimproved land pursuant to a qualified management
22 plan shall be valued at twenty-five percent of the taxable
23 value. Eligibility for the method of valuation provided by
24 this section is limited to unimproved land that had been valued
25 pursuant to Section 7-36-20 NMSA 1978 in the immediately

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1 preceding five property tax years but is no longer eligible to
2 be valued pursuant to that section and is unimproved land that
3 is:

4 (1) greater than ten acres but no more than
5 one hundred sixty acres; or

6 (2) ten acres or less with a water right for
7 agricultural purposes appurtenant to the land and permitted by
8 the office of the state engineer.

9 B. Improvements on land, other than those specified
10 in Subsection C of Section 7-36-15 NMSA 1978 or for purposes
11 other than for agricultural or conservation management
12 purposes, create a presumption that the land is not used
13 primarily to conserve the unimproved land. Land used for a
14 residential or commercial purpose is not eligible for valuation
15 pursuant to this section.

16 C. The department shall, in consultation with the
17 energy, minerals and natural resources department and the New
18 Mexico department of agriculture, promulgate rules for
19 determining whether land is used primarily to conserve the
20 unimproved land. The rules shall:

21 (1) require a qualified management plan
22 approved by a qualified agency to ensure that management
23 practices are appropriate to conserve and maintain the
24 unimproved land;

25 (2) require that the qualified management plan

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1 shall, at a minimum, be designed to maintain or increase the
2 productivity of the land, rangeland, watershed and forest
3 health, wildlife habitat or conservation of soil and water.
4 This includes implementation of accepted best management
5 practices designed to maintain and improve soil, forest and
6 rangeland health, vegetative cover, riparian buffers, stream
7 health and wetlands; reduce soil and wind erosion; control
8 noxious weeds; reduce hazardous fuels and risk of flooding;
9 maintain and improve wildlife habitat; conserve surface and
10 ground water and water quality; and maintain acequia
11 infrastructure;

12 (3) require that the landowner submit evidence
13 of compliance with the qualified management plan, in the form
14 of a standardized report signed by a qualified agency, in the
15 third year and the sixth year following initial enrollment to
16 be eligible for renewed application of the special method of
17 valuation provided by this section; and

18 (4) limit eligibility for enrollment to no
19 more than one hundred sixty acres per landowner per county.

20 D. All improvements on land, other than those
21 specified in Subsection C of Section 7-36-15 NMSA 1978, shall
22 be valued separately for property taxation purposes, and the
23 value of the improvements shall be added to the value of the
24 land determined pursuant to this section.

25 E. The special method of valuation pursuant to this

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1 section shall be claimed in order to be allowed. The owner of
2 the land shall make application to the county assessor in a tax
3 year in which the valuation method of this section is first
4 claimed to be applicable to the land or in a tax year
5 immediately subsequent to a tax year in which the land was not
6 valued under this section. Application shall be made under
7 oath and shall be in a form, and contain the information,
8 required by department rule. The application shall be made no
9 later than thirty days after the date of mailing by the county
10 assessor of the notice of valuation. Once land is valued under
11 this section, an application shall be resubmitted and claimed:

12 (1) in the tax year immediately following the
13 tax year in which a change of use or a change in ownership
14 occurs; or

15 (2) six years following the tax year in which
16 the last application was made and granted.

17 F. The owner of land valued pursuant to this
18 section shall report to the county assessor whenever a change
19 of ownership or the use of the land changes so that the land is
20 no longer being used primarily to conserve the unimproved land
21 pursuant to qualified guidelines. The report shall be made on
22 or before the last day of February of the tax year immediately
23 following the year in which the change of ownership or change
24 in the use of the land occurs.

25 G. If an owner of land valued pursuant to this

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1 section changes the use of the land or builds physical
2 improvements on the land for purposes other than for
3 agricultural use or to conserve the unimproved land, and who is
4 the owner of record at the time the change in use or the
5 improvements are made, the owner shall be personally liable for
6 the difference between the taxes assessed against the land and
7 the taxes that would otherwise have been assessed against the
8 land based on the current and correct value at the time that
9 the change occurs or the improvements are made for each of the
10 number of years the land was valued pursuant to this section,
11 up to a maximum of five years, to be collected and distributed
12 in the same manner as other ad valorem levies.

13 H. As used in this section:

14 (1) "qualified agency" means the energy,
15 minerals and natural resources department; department of
16 environment; department of game and fish; New Mexico department
17 of agriculture; or a soil and water conservation district; and

18 (2) "qualified management plan" means a plan:

19 (a) for conservation and management
20 practices that are appropriate to conserve and maintain
21 unimproved land;

22 (b) to maintain or increase the
23 productivity of land; and

24 (c) to support rangeland, watershed and
25 forest health, wildlife habitat or soil and water

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1 conservation."

2 SECTION 2. APPROPRIATION.--Five million dollars
3 (\$5,000,000) is appropriated from the general fund to the local
4 government division of the department of finance and
5 administration for expenditure in fiscal year 2024 to purchase
6 or upgrade software for computer-assisted mass appraisal
7 systems to carry out the provisions of Section 1 of this act.
8 Any unexpended or unencumbered balance remaining at the end of
9 fiscal year 2024 shall revert to the general fund.

10 SECTION 3. APPLICABILITY.--The provisions of Section 1 of
11 this act apply to the 2024 and subsequent property tax years.