



**BUREAU OF BUSINESS  
& ECONOMIC RESEARCH**

# **Property Tax: Agriculture, Working & Natural Lands**

---

RESEARCH FUNDED BY THE NEW MEXICO LEGISLATURE

RESEARCH BY MICHAEL O'DONNELL, PH.D AND JULIAN BACA, M.A.

[MO8684@UNM.EDU](mailto:MO8684@UNM.EDU)

[JBACA63@UNM.EDU](mailto:JBACA63@UNM.EDU)

AUGUST 9, 2021

A solid red horizontal bar at the bottom of the slide.

# Key Takeaways

- Agriculture and the Rural Economy is an important sector statewide and especially at the local and county levels;
- Preservation of Agriculture, Working and Natural Lands impacts New Mexico's Cultural Heritage and Assets on which Tourism economy relies in large part;
- In the last 2 decades in New Mexico, over 5 million agricultural acres have been converted to residential development and other uses;
- Underlying economic and population trends do not track with higher real estate values in several New Mexico counties;
- BBER's fiscal and economic analysis shows that the potential economic, infrastructure costs, and environmental loss exceed additional revenues generated from land moving from agricultural valuation exemptions to full Fair Market Values;
- Will highlight potential policies that could help to offset agricultural land/economic losses.

## Study Organization (Modules)

- Study Background;
- Agricultural Land Trends: U.S. and New Mexico;
- Statewide and County Level Property Tax data trends (de-coupling from underlying economic & population data);
- Fiscal and Economic Impacts of Agricultural Land loss;
- Possible Policies: Agricultural Land Preservation & Protection.

Study Background & Motivation:  
Importance of NM's Rural Economy, Unique Cultural & Natural  
Environment Assets

## Study Background: Statewide Importance of Agriculture

- Agriculture, Forestry, Fishing & Recreation supports nearly 11,000 jobs in the state;
- Agriculture contributed \$1.9 billion in GDP to the NM economy in 2020;
- Agriculture generates \$2.58 billion annual sales per year;
- According to the 2017 U.S. Department of Agricultural Census, over half of statewide acreage is being used for agricultural production; O
- Only 11 other states have more agricultural lands, as a percent of the total statewide land acreage, than New Mexico.

## Study Background: NM's Rural Economy (Farm Employment & Farm Proprietor Employment)

- The importance of agriculture is even more apparent in the rural parts of the state.
- Farm employment accounts for between 10-40% of jobs in one-third of NM counties (yellow); the NM and US averages are 2.5% and 1.3%, respectively.
- Farm employment is particularly important in Harding (43.3%), Mora (32.9%), De Baca (26.1%), Catron (21.8%), Union (17.9%), and Guadalupe (17.9%) counties;
- Farming Proprietor Income Employment (Relative to Total Proprietor Income Employment) accounts for between 20%-60% in more than half of NM counties; this compares to 8.8% statewide and 3.8% in the U.S.

County	Farm		County	Farm	
	Farm	Proprietor		Farm	Proprietor
Harding	43.3%	64.4%	Colfax	5.5%	14.2%
Guadalupe	17.9%	53.5%	Taos	5.2%	13.5%
Mora	32.9%	52.1%	Curry	4.5%	13.3%
De Baca	26.1%	45.0%	Grant	3.0%	11.8%
Quay	13.9%	39.8%	Luna	3.3%	8.9%
Union	17.9%	38.9%	Lincoln	3.5%	8.4%
Rio Arriba	12.1%	35.7%	Doña Ana	3.1%	8.0%
Catron	21.8%	32.2%	Chaves	4.4%	7.6%
Socorro	10.1%	32.1%	Otero	1.8%	7.1%
McKinley	7.4%	30.1%	Eddy	1.9%	7.1%
Torrance	12.2%	28.4%	Sandoval	1.9%	5.3%
Roosevelt	12.9%	28.3%	Lea	1.6%	4.8%
San Miguel	7.9%	27.7%	Santa Fe	0.8%	2.0%
Hidalgo	9.0%	27.5%	Bernalillo	0.2%	1.1%
Cibola	4.5%	21.4%	Los Alamos	0.0%	0.0%
San Juan	4.3%	20.8%	<b>New Mexico</b>	<b>2.5%</b>	<b>8.8%</b>
Valencia	6.9%	20.7%	<b>United States</b>	<b>1.3%</b>	<b>3.8%</b>
Sierra	6.6%	15.0%			

Source: U.S. Bureau of Economic Analysis.

## Study Background: NM's Rural Economy (Farm Proprietor Income)

- Whereas Farm Proprietor Income accounts for only 3% of Total Proprietor Income in the U.S., in New Mexico this percentage is 14%;
- Half of NM counties derive between 20-80% of Proprietor Income from Farming;

Source: U.S. Bureau of Economic Analysis.

County	Farm	Non-Farm	Farm/		County	Farm	Non-Farm	Farm/	
			Total	Total				Total	Total
Harding	1,484	349	1,833	81%	San Miguel	4,594	28,576	33,170	14%
Roosevelt	100,794	29,445	130,239	77%	Grant	7,062	46,003	53,065	13%
Curry	167,504	66,822	234,326	71%	Cibola	3,755	24,769	28,524	13%
Mora	11,770	5,598	17,368	68%	Rio Arriba	5,218	41,442	46,660	11%
Socorro	27,093	14,574	41,667	65%	Doña Ana	91,180	748,067	839,247	11%
De Baca	14,676	8,540	23,216	63%	San Juan	10,833	122,929	133,762	8%
Guadalupe	4,766	3,446	8,212	58%	Lincoln	5,099	59,415	64,514	8%
Hidalgo	9,878	9,343	19,221	51%	Otero	5,501	97,141	102,642	5%
Torrance	22,926	23,058	45,984	50%	Valencia	4,580	104,458	109,038	4%
Union	10,775	11,692	22,467	48%	Sandoval	2,804	289,989	292,793	1%
Luna	35,287	39,283	74,570	47%	Taos	325	82,033	82,358	0%
Colfax	17,920	25,590	43,510	41%	McKinley	(2,583)	93,761	91,178	0%
Chaves	142,585	236,178	378,763	38%	Bernalillo	(1,139)	1,519,182	1,518,043	0%
Sierra	10,873	19,020	29,893	36%	Santa Fe	(2,899)	597,121	594,222	0%
Catron	2,932	7,487	10,419	28%	Los Alamos	-	57,107	57,107	*
Quay	6,865	25,170	32,035	21%	NM	830,592	4,967,958	5,798,550	14%
Lea	76,315	348,738	425,053	18%	US (\$1,000's)	56,722	1,608,019	1,664,741	3%
Eddy	31,819	181,632	213,451	15%					

# Study Background: NM's Rural Economy (Location Quotient Analysis)

- Using Location Quotients to calculate the relative strength of individual industries, there are 9 counties for which agriculture is particularly important (LQ>2.0)
- Agriculture, Forestry, Fishing and Hunting particularly important in: Harding (32.9), Roosevelt (22.6), Luna (14.1), De Baca (13.4), Curry (10.9), Union (10.0), Chaves (7.4)
- Note: an LQ > 1.0 signifies a given sector attracts business from outside the county.

NAICS	11	21	22	23	31-33	42	44-45	48-49	51	52	53	54	55	56	61	62	71	72	81
	Ag, forestry, fishing and hunting	Mining, oil and gas extraction	Utilities	Construction	Manufacturing	Wholesale trade	Retail trade	Transportation and warehousing	Information	Finance and insurance	Real estate and rental and leasing	Professional and technical services	Mgmt of companies and enterprises	Administrative and waste services	Educational services	Health care and social assistance	Arts, entertainment, and recreation	Accommodation and food services	Other services, except public admin
Bernalillo	0.1	0.1	0.8	1.3	0.5	0.9	1.0	0.6	0.9	0.9	1.0	1.5	0.7	1.1	0.8	1.2	0.9	1.2	0.9
Catron	0.0	0.0	0.0	0.7	0.7	0.0	1.9	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.9	0.6
Chaves	7.4	4.1	0.9	0.8	0.5	1.0	1.3	1.0	0.5	0.7	0.6	0.5	0.1	0.5	0.1	1.3	0.6	1.5	0.9
Cibola	0.0	0.0	3.5	0.4	0.2	0.6	1.3	0.2	0.1	0.4	0.3	0.2	0.1	1.4	0.0	0.0	0.2	1.2	0.4
Colfax	2.0	3.8	2.4	0.7	0.4	0.5	1.4	0.3	0.3	0.7	1.0	0.2	0.1	0.2	0.1	0.6	0.2	2.8	4.6
Curry	10.9	0.3	2.1	0.9	0.5	0.8	1.3	0.9	0.2	0.6	0.8	0.4	0.0	0.0	0.1	1.4	0.3	1.3	1.0
De Baca	13.4	-	0.0	0.0	0.0	1.8	1.9	0.0	0.0	0.0	0.0	0.0	-	-	-	1.1	0.0	0.0	0.0
Dofia Ana	5.1	0.2	1.5	1.1	0.5	0.5	1.1	0.8	0.5	0.6	0.8	0.9	0.1	0.9	0.5	1.7	0.9	1.2	0.6
Eddy	1.3	53.2	2.0	2.2	0.4	0.5	0.9	1.2	0.3	0.4	1.1	0.5	0.2	0.6	0.3	0.6	0.2	0.8	0.7
Grant	0.7	0.0	2.1	1.0	0.0	0.3	1.3	0.3	0.6	0.5	0.8	0.3	1.1	0.3	0.6	1.0	0.0	0.0	0.9
Guadalupe	0.0	-	0.0	0.0	0.0	0.0	2.2	0.6	0.0	0.0	0.0	-	-	0.0	-	0.9	-	2.9	0.7
Harding	32.9	-	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
Hidalgo	0.0	0.0	1.6	0.0	0.0	0.4	1.9	1.0	0.3	0.0	-	0.3	-	0.1	0.0	0.0	0.0	0.0	0.0
Lea	1.2	50.3	2.8	2.1	0.2	0.7	0.8	1.6	0.3	0.5	1.0	0.3	0.2	0.6	0.2	0.5	0.1	1.0	0.8
Lincoln	0.0	0.0	3.1	1.0	0.2	0.1	1.8	0.1	0.5	0.7	2.1	0.0	0.0	0.5	0.1	0.7	5.4	2.3	1.0
Los Alamos	0.0	-	-	0.2	0.0	0.0	0.2	0.0	0.1	0.2	0.3	0.0	0.0	0.7	0.2	0.4	0.3	0.3	0.5
Luna	14.1	0.4	2.2	0.9	1.6	0.4	1.3	0.6	0.0	0.4	0.4	0.0	0.0	0.2	0.0	0.6	1.1	0.0	0.0
McKinley	0.1	0.6	2.3	0.7	0.5	0.8	1.7	0.6	0.4	0.6	0.7	0.2	0.1	0.7	0.5	1.6	0.1	1.8	0.8
Mora	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.0	0.0	0.0	0.0	-	-	0.0	0.0	0.0	0.0	0.0	1.0
Otero	1.0	1.3	2.4	1.5	0.1	0.2	1.5	0.6	0.8	0.7	0.7	0.6	0.1	1.3	0.7	1.6	0.7	1.2	0.9
Quay	2.2	0.0	7.6	1.3	0.0	0.2	1.8	0.6	0.2	1.0	0.3	0.0	0.0	-	1.3	0.0	0.0	1.2	0.0
Rio Arriba	1.2	6.5	4.5	1.1	0.2	0.2	1.6	0.7	0.6	0.5	0.4	0.0	0.0	0.6	0.6	1.7	1.3	1.4	0.9
Roosevelt	22.6	0.5	3.1	0.8	1.0	0.4	1.2	1.9	0.0	0.5	0.6	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.5
San Juan	0.8	24.2	4.7	1.8	0.4	1.0	1.2	0.7	0.3	0.5	0.6	0.4	0.4	0.4	0.4	1.1	0.7	1.1	1.0
San Miguel	0.7	0.2	1.2	0.9	0.2	0.1	1.4	1.0	0.3	1.0	0.5	0.2	0.1	1.1	0.0	0.0	0.0	0.0	0.5
Sandoval	0.3	0.8	0.6	1.3	1.2	0.4	1.1	0.3	0.3	0.5	1.0	0.5	0.1	2.5	0.5	1.0	0.6	1.3	0.7
Santa Fe	0.7	0.3	0.6	1.0	0.2	0.5	1.4	0.3	0.8	0.7	1.0	0.8	0.3	0.6	1.3	1.2	1.8	1.9	1.6
Sierra	0.0	0.0	2.8	1.2	0.4	0.1	1.4	0.1	0.2	0.5	0.4	0.2	0.0	0.3	0.0	0.0	0.9	1.6	0.8
Socorro	0.0	0.0	0.0	0.3	0.3	0.0	1.1	0.5	0.1	0.6	0.2	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Taos	0.0	0.0	3.5	1.0	0.3	0.3	1.3	0.2	0.6	0.5	1.4	0.4	0.0	0.3	1.1	1.2	5.1	2.3	0.9
Torrance	0.0	0.0	0.0	1.2	0.4	1.5	2.0	0.0	0.4	0.0	0.0	0.3	-	1.0	0.0	0.0	0.0	0.0	0.5
Union	10.0	3.9	0.0	0.0	0.0	0.9	1.3	0.0	0.0	1.2	0.4	0.0	-	0.0	0.0	0.4	1.3	0.0	0.0
Valencia	0.0	0.0	1.0	2.6	0.7	0.3	1.8	1.8	0.4	0.5	0.7	0.3	0.3	0.3	0.4	1.1	0.3	1.3	0.6
NM	1.7	7.4	1.5	1.3	0.4	0.7	1.1	0.7	0.8	0.7	0.9	1.2	0.5	1.0	0.6	1.2	0.9	1.2	0.9

Source: U.S. Bureau of Economic Analysis.

# Study Background: NM Cultural and Natural Assets and Their Intersections with Agricultural, Working and Lands

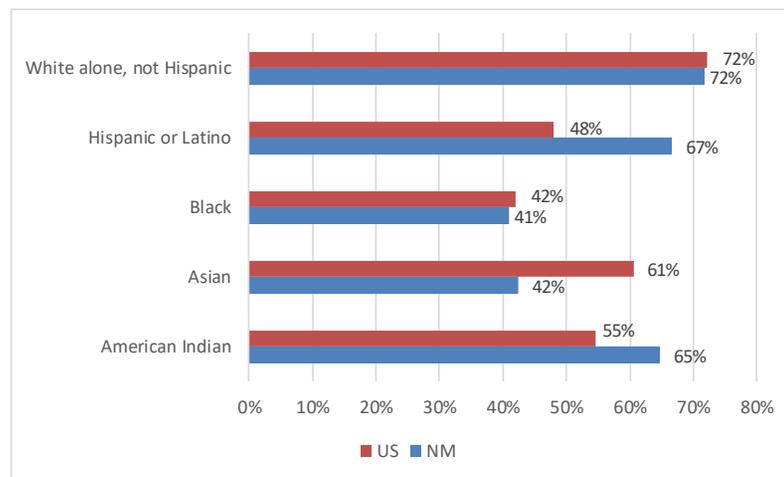
- The cultural and natural assets that make New Mexico unique attracts 38.2 million visitors per year for Tourism that spend \$7.5 billion (\$10.4 billion including indirect and induced) and directly employs 72,500 workers (96,000 indirectly). The cultures, the climate, and the natural environment are what draw many visitors to return year-after-year;
- Ranching communities date back hundreds of years in New Mexico and constitute an important part of the culture and history in New Mexico;
- Roughly 90% of agricultural land in New Mexico is used for livestock grazing, which makes an important contribution to the state economy;
- Native American cultures are a distinct and defining feature of New Mexico, making it distinct from all other states in the U.S. where these communities have inhabited and continuously interacted with the same lands for thousands of years. Native Americans account for 11% of the total New Mexico population and only Alaska has a larger percentage, relative to the total population.

# Study Background: NM Cultural and Natural Assets and Their Intersections with Agricultural, Working and Lands

- Hispanics account for 49.3% of the population, New Mexico ranks first in the country for the number of Latinos as a percent of a state's total population;
- The communal lands of the Spanish and Mexican Land Grants in New Mexico encompass over 200,000 acres. Hispano families on and off the land grants have been living on and interacting with the same land as far back as 400 years ago;
- New Mexico's unique Acequia culture, which has helped to sustain subsistence agriculture has kept communities rooted and connected to the land over the last several centuries;
- These communities all play an important in stewarding the wildlands in New Mexico that contribute to the cultural assets that attract visitors from outside the state who come to experience traditional customs and events.

## Study Background: Land Rich, Cash Poor

- Using *U.S. Census American Community Survey* data, New Mexico is one of the poorest states as measured by Median Household Income (47<sup>th</sup>) and Poverty (48<sup>th</sup>);
- Using homeownership as a proxy for “land”, more New Mexicans (67.7%) own their homes compared to the national average of 64%;
- In New Mexico the homeownership rate for Latinos/Hispanics (67%) and Native Americans (65%) are significantly higher than U.S. averages: 48% and 55%, respectively.



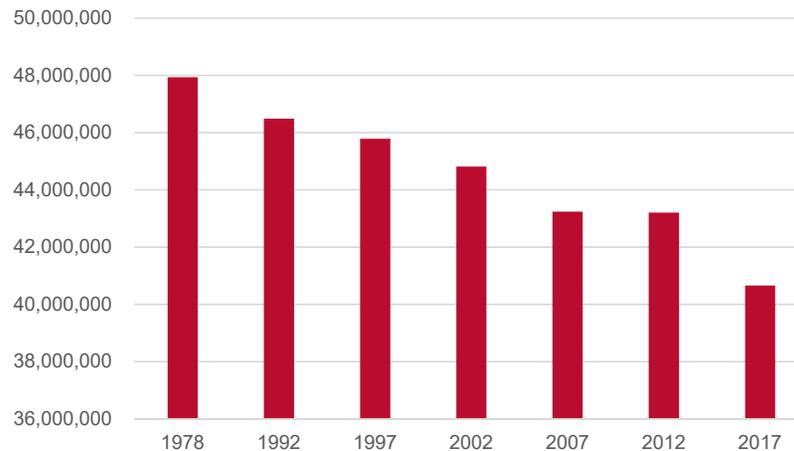
## Study Background: Land Rich, Cash Poor, cont.

- Using *USDA NASS* data, we tested the “land rich, cash poor” hypothesis as it relates to agricultural land in New Mexico and we found
  - One-in-three NM farms have Hispanic/Latino producers and one-in-four have Native American producers; this compares to 4% for Hispanics and 2% for Native Americans.
  - Of the 40.66 million agricultural acres in New Mexico, Hispanics account for 9.9% of “owned” acreages and Native Americans account for 18.2%; this compares to the national averages of 3.9% and 1.9%, respectively.

# Agricultural Land Loss: Statewide, County, National Levels

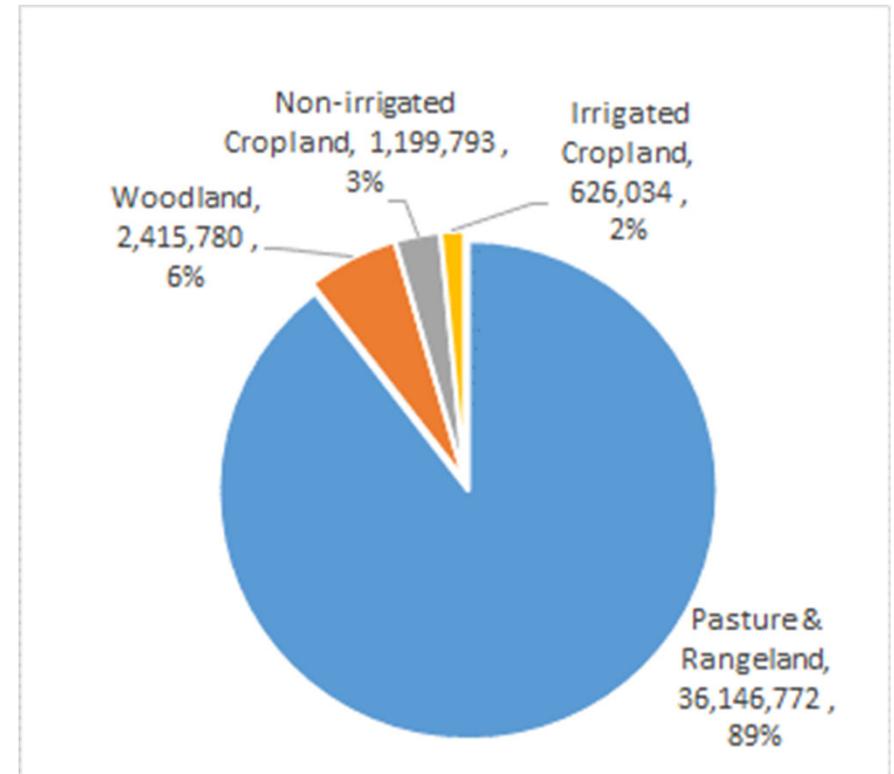
## Agricultural Land Loss: Statewide NM (1 of 3)

- BBER sought to assess whether agricultural lands have been on the decline over the last several years;
- In lieu of addressing this question with available county and state data, we turned to the USDA NASS Agricultural Census data with the most current available survey being completed in 2017;
- According to the USDA NASS census data, Agricultural acreage in New Mexico **declined by more than 7 million acres** between 1978 and 2017;



## Agricultural Land Loss: Statewide NM (2 of 3)

- Focusing on the last twenty years of USDA NASS data (1997-2017), we saw specific trends related to land types;
- According to the USDA, Pasture & Rangeland account for the 89% of agricultural holdings in the state, followed by Woodland (6%), Non-Irrigated Cropland (3%), and Irrigated Cropland (2%);



## Agricultural Land Loss: Statewide NM (3 of 3)

- NM Pasture & Rangeland acres declined by 4.6 million (-11% cum.) over the last 20 years;
- Non-Irrigated and Irrigated Cropland saw the largest percentage declines at -13% (178,582) and -22% (175,019), respectively;
- If the next 20-years looks anything like the last, ***total agricultural lands could decline another 4.5 million acres.***

	1997	2017	Diff.	%Chg.
Total Acres	45,787,108	40,659,836	(5,127,272)	-11%
Pasture & Rangeland**	40,737,445	36,146,772	(4,590,673)	-11%
Cropland	2,179,428	1,825,827	(353,601)	-16%
Irrigated	804,616	626,034	(178,582)	-22%
Non-Irrigated	1,374,812	1,199,793	(175,019)	-13%
Woodland	2,444,242	2,415,780	(28,462)	-1%

\*Permanent pasture and rangeland, other than cropland and woodland pastured.

## Agricultural Land Loss: NM Counties

- According to USDA NASS agricultural census data, 27 NM counties (or 4 out of 5) lost agricultural acreage since 2002;
- Bernalillo (-46%), Socorro (-40%), and Taos (-39%) experienced the largest declines on a percentage basis;
- In terms of total acres lost Socorro (-610,784), McKinley (-600,047), Union (-356,517), Catron (-384,226), Grant (-324,139), and Lea (-320,032) saw the largest declines in terms of total acreage;
- Notably, Sandoval, San Miguel, Valencia, San Juan saw increases in their agricultural lands.

County	2002	2017	Diff	%Chg	County	2002	2017	Diff	%Chg
Bernalillo	407,869	221,495	(186,374)	-46%	Chaves	2,515,660	2,318,143	(197,517)	-8%
Socorro	1,523,260	912,476	(610,784)	-40%	Colfax	2,216,306	2,073,125	(143,181)	-6%
Taos	466,254	285,130	(181,124)	-39%	Quay	1,651,616	1,548,435	(103,181)	-6%
Grant	1,218,119	893,980	(324,139)	-27%	Cibola	1,690,832	1,593,679	(97,153)	-6%
Sierra	1,362,866	1,012,233	(350,633)	-26%	Harding	991,940	938,460	(53,480)	-5%
Hidalgo	1,127,578	848,867	(278,711)	-25%	Rio Arriba	1,431,119	1,362,062	(69,057)	-5%
Catron	1,644,937	1,260,711	(384,226)	-23%	Mora	954,572	930,642	(23,930)	-3%
McKinley	3,169,857	2,569,810	(600,047)	-19%	Curry	916,320	902,165	(14,155)	-2%
Luna	709,518	575,844	(133,674)	-19%	Guadalupe	1,461,766	1,444,135	(17,631)	-1%
De Baca	1,409,434	1,182,224	(227,210)	-16%	Roosevelt	1,500,821	1,499,615	(1,206)	-0.1%
Union	2,243,404	1,886,887	(356,517)	-16%	Sandoval	763,197	783,724	20,527	3%
Otero	1,207,598	1,019,246	(188,352)	-16%	San Miguel	2,091,643	2,269,554	177,911	9%
Lea	2,258,353	1,938,321	(320,032)	-14%	Valencia	368,864	517,702	148,838	40%
Dona Ana	580,769	528,270	(52,499)	-9%	San Juan	1,756,624	2,551,470	794,846	45%
Lincoln	1,605,566	1,466,477	(139,089)	-9%	Los Alamos	9	D	D	D
Eddy	1,183,073	1,087,902	(95,171)	-8%	Santa Fe	683,508	D	D	D
Torrance	1,696,831	1,561,057	(135,774)	-8%	New Mexico	44,810,083	40,659,836	(4,150,247)	-9%

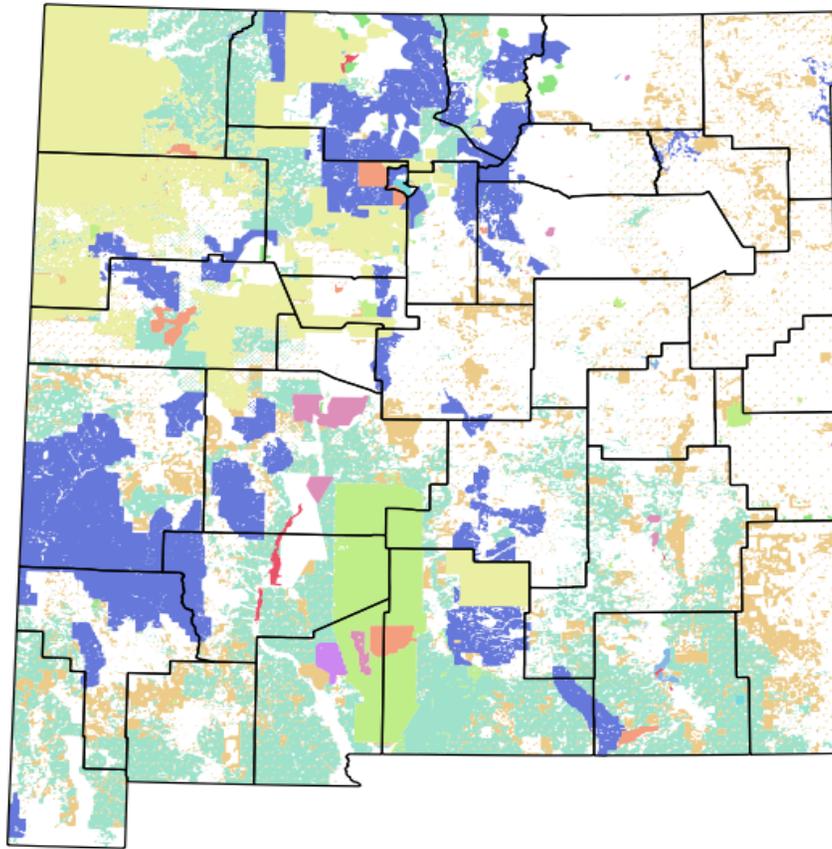
D=Data suppressed due to confidentiality.

## Agricultural Land Loss: National Data & Research

- Prime farmland (primarily cropland with abundant supply of water or water rights) reduced by half from 1982 to 2012 (American Farm Trust, 2020);
- Residential development is greatest threat to agriculture lands;
- According to USDA ERS study, 94% of new housing in the U.S. was on lots of one acre or more, 57% were on lots of 10 acres or more; roughly 80% of acreage used for new housing located outside urban areas;
- Retiring and aging farmers and ranchers is an important driver of land transition to other hands; 93 million acres (10.2% of total agricultural acreage);
- The average age of farmers and rancher is 61 and 3 out of 4 farmers in New Mexico are 55 years or older;
- Nearly 1/3 of young farmers nationally are on rented land.

# Statewide and County Property Tax Trends

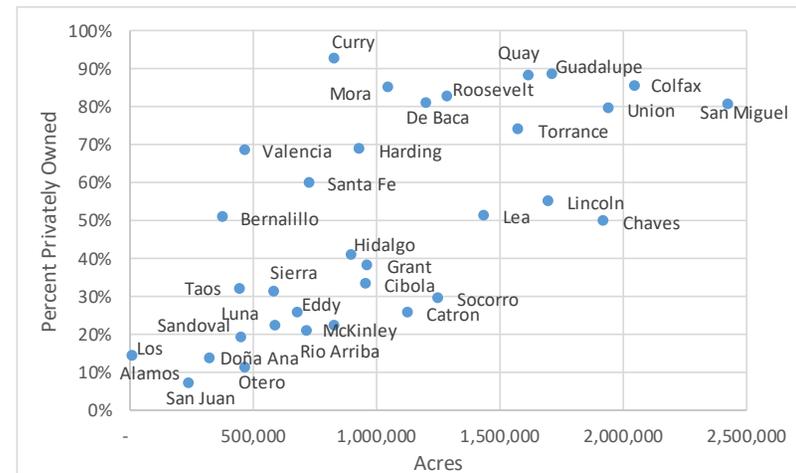
## Other Considerations: Federal and State Lands



- Bureau of Land Management
- Bureau of Reclamation
- Department of Agriculture
- Department of Defense
- Department of Energy
- Fish and Wildlife Service
- Forest Service
- National Park Service
- Other Federal Agency
- Private
- State
- State Game and Fish
- State Park
- Tribal

## Other Considerations: Federal and State Lands

- More than ½ of NM counties have 50% or less Privately owned lands;
- Over 40% of Counties have less than 1/3 of total acreage in private ownership (San Juan, Otero, Los Alamos, Dona Ana, Rio Arriba, McKinley, Sandoval, Luna, Eddy, Catron, Socorro, Sierra, Taos, Cibola);
- Counties with 75% or more of land in private hands are located in the East and Northeast part of the state (Curry, Mora, De Baca, Roosevelt, Torrance, Roosevelt, Quay, Guadalupe, Colfax, Union, San Miguel)



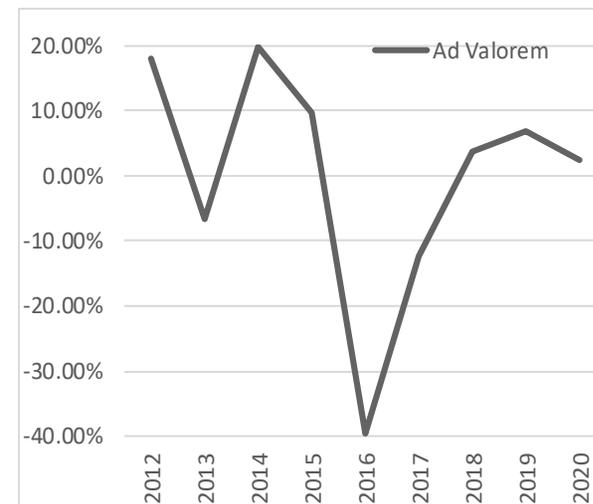
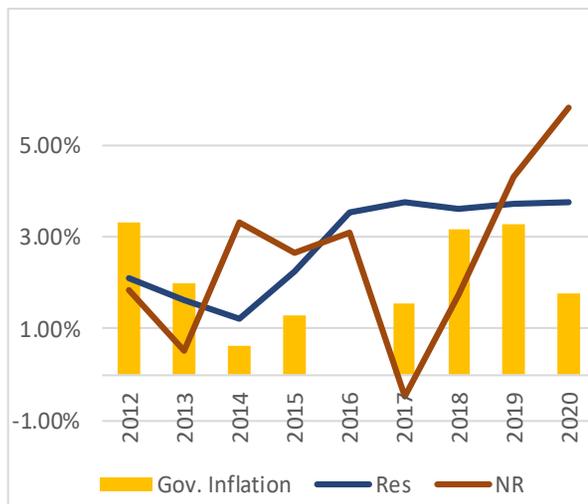
## Taxable Property Value Trends: Statewide

- Considering annualized growth over the last decade, Residential grew 2.55% per year, Non-Residential 2.27%, and Ad Valorem 6.91%;
- Residential accounts for 55%, Non-Residential (29%), and Ad Valorem (17%) of Taxable Values;

	2020	2011	\$Chg.	Cum. %Chg.	Annualized % Chg	%Total
Total	70,471,040	52,129,269	18,341,772	35.19%	3.06%	-
Res/NonRes Subtotal	58,791,328	46,143,067	12,648,261	27.41%	2.45%	83%
Residential	38,671,443	30,069,456	8,601,987	28.61%	2.55%	55%
NonResidential	20,119,885	16,073,611	4,046,274	25.17%	2.27%	29%
Ad Valorem Subtotal	11,679,712	5,986,201	5,693,511	95.11%	6.91%	17%
Production	9,569,180	5,001,034	4,568,146	91.34%	6.70%	14%
Equipment	2,110,532	985,168	1,125,365	114.23%	7.92%	3%

## Taxable Property Value Trends: Statewide

- The year-over-year change in Residential Taxable Values have been stable, Non-Residential has experienced more modest fluctuations, only declining one year (2017);
- Ad Valorem values are volatile, fluctuating from -40% to 20% over the last decade.



# Taxable Residential & Non-Residential Property Value Trends: County Level

- There were significant variations in Taxable Values at the County Level with Eddy (7.9%), Lea (7.7%), De Baca (5.7%), Guadalupe (4.7%), Roosevelt (4.4%) experiencing the largest growth in values;
- Four counties experienced declining Non-Residential Values: San Juan (-0.1%), Catron (-3.9%), Grant (-1.6%), Harding (-1.9%).

	Res + NonRes		Residential		NonResidential	
	\$Change	% Chg	\$Change	% Chg	\$Change	% Chg
NM	12,648,260,991	2.5%	8,601,987,113	2.5%	4,046,273,878	2.3%
Eddy	1,629,580,000	7.9%	359,705,322	5.9%	1,269,874,678	8.8%
Lea	1,301,069,750	7.7%	277,775,233	5.4%	1,023,294,517	8.7%
De Baca	40,025,760	5.7%	5,688,145	3.9%	34,337,615	6.2%
Guadalupe	66,693,268	4.7%	8,498,813	2.7%	58,194,455	5.3%
Roosevelt	154,311,993	4.4%	58,503,574	3.9%	95,808,419	4.8%
Curry	280,892,956	3.5%	179,050,859	3.6%	101,842,097	3.3%
Mora	41,418,592	3.2%	20,216,133	2.9%	21,202,459	3.6%
Torrance	116,204,573	3.1%	31,248,535	1.9%	84,956,038	4.1%
Quay	58,576,331	3.0%	5,654,180	0.7%	52,922,151	4.7%
Otero	316,476,714	2.9%	204,117,137	2.8%	112,359,577	3.3%
Lincoln	310,124,386	2.6%	193,978,515	2.3%	116,145,871	3.4%
Río Arriba	207,864,541	2.6%	95,559,129	2.0%	112,305,412	3.4%
Dona Ana	\$1,018,185,362	2.4%	825,914,051	2.9%	\$192,271,311	1.5%
Hidalgo	\$39,892,242	2.4%	5,749,167	2.5%	\$34,143,075	2.4%
San Miguel	\$138,009,928	2.4%	92,570,052	2.4%	\$45,439,876	2.4%
Valencia	\$328,476,320	2.4%	217,185,874	2.3%	\$111,290,446	2.6%
Chaves	\$260,867,635	2.4%	182,459,147	3.0%	\$78,408,488	1.6%
Union	\$34,325,208	2.4%	9,890,531	2.8%	\$24,434,677	2.2%
Bernalillo	\$3,439,963,145	2.2%	3,331,046,638	2.8%	\$108,916,507	0.3%
Luna	\$114,184,489	2.1%	40,891,282	1.7%	\$73,293,207	2.4%
Sandoval	\$711,886,388	2.0%	595,628,872	2.3%	\$116,257,516	1.3%
Taos	\$277,680,208	1.9%	170,294,188	1.9%	\$107,386,020	1.9%
Socorro	\$46,272,945	1.8%	26,303,128	1.9%	\$19,969,817	1.6%
Los Alamos	\$130,143,309	1.7%	112,182,270	1.7%	\$17,961,039	1.7%
Cibola	\$47,983,748	1.5%	46,071,703	3.7%	\$1,912,045	0.1%
Santa Fe	\$1,001,192,638	1.4%	987,822,301	1.8%	\$13,370,337	0.1%
Colfax	\$71,185,555	1.2%	63,255,065	1.7%	\$7,930,490	0.4%
Sierra	\$35,675,958	1.2%	20,185,920	1.1%	\$15,490,038	1.2%
San Juan	\$305,077,336	1.0%	313,538,524	2.3%	(\$8,461,188)	-0.1%
McKinley	\$75,168,336	1.0%	1,559,537	0.1%	\$73,608,799	1.4%
Catron	\$10,151,770	0.8%	33,555,342	5.2%	(\$23,403,572)	-3.9%
Grant	\$49,215,135	0.8%	84,570,681	2.0%	(\$35,355,546)	-1.6%
Harding	(\$10,515,528)	-1.6%	1,317,265	2.7%	(\$11,832,793)	-1.9%

# Taxable Residential & Non-Residential Property Value Trends: County Level

- In the last decade 22 counties experienced negative population growth;
- Counties experiencing the largest contractions on a percentage basis were: Sierra (-1.1%), Union (-1.1%), Colfax (-1.4%), Hidalgo (-1.5%), De Baca (-1.5%);
- 2 in 5 (40%) of New Mexico counties experienced negative GDP growth in the last decade;
- The fastest growing counties were Eddy, Lea, De Baca, Torrance.

County	Taxable Value	Real GDP	Population	County	Taxable Value	Real GDP	Population
Eddy	7.9%	9.5%	0.8%	Chaves*	2.4%	0.4%	-0.2%
Lea	7.7%	7.6%	1.0%	Union	2.4%	0.2%	-1.1%
De Baca	5.7%	4.0%	-1.5%	Bernalillo*	2.2%	0.6%	0.2%
Guadalupe	4.7%	1.9%	-0.9%	Luna	2.1%	0.8%	-0.6%
Roosevelt*	4.4%	0.9%	-0.8%	Sandoval	2.0%	-2.1%	-0.7%
Curry	3.5%	1.4%	0.0%	Taos	1.9%	-0.2%	-0.1%
Mora	3.2%	-4.9%	-0.8%	Socorro	1.8%	-0.1%	-0.7%
Torrance	3.1%	3.3%	-0.6%	Los Alamos	1.7%	0.5%	0.7%
Quay	3.0%	0.7%	-0.9%	Cibola	1.5%	-0.1%	-0.2%
Otero	2.9%	-0.1%	0.5%	Santa Fe	1.4%	-0.2%	0.4%
Lincoln	2.6%	0.5%	-0.4%	Colfax	1.2%	-0.7%	-1.4%
Rio Arriba	2.6%	-0.8%	-0.3%	Sierra	1.2%	0.5%	-1.1%
<b>New Mexico</b>	<b>2.5%</b>	<b>1.3%</b>	<b>0.2%</b>	San Juan	1.0%	-1.0%	1.0%
Doña Ana*	2.4%	-0.1%	0.4%	McKinley	1.0%	-0.6%	0.0%
Hidalgo	2.4%	1.5%	-1.5%	Catron	0.8%	0.8%	-0.6%
San Miguel	2.4%	-1.1%	-0.5%	Grant	0.8%	1.9%	-0.8%
Valencia	2.4%	1.5%	0.0%	Harding	-1.6%	-2.8%	-1.0%

# Taxable Residential & Non-Residential Property Value Trends: County Level

We considered the relationship between Real GDP and Population data with Taxable Values and found:

- There seemed to be some link between the economic/population data for 23 out of 33 counties, or 69% (some stronger than others);
- There were 5 counties where there were **strong rising values** despite **declining Population and GDP** (possible external demand). – Mora, Rio Arriba, San Miguel, Chaves, Union.
- Declining values with no apparent strong link: San Juan (-GDP, +Pop), McKinley (-GDP, -Pop), Grant (+GDP, +Pop), Harding (-GDP, -Pop), Catron (+GDP, -Pop) – possible agricultural conversion to Residential.

# Taxable Residential & Non-Residential Property Value Trends: County Level

1) Strong growth in values - underlying economic and population growth supportive of higher values (14): STRONG POSITIVE

- a. Eddy, Lea, Otero (+GDP, +Population)
- b. De Baca, Guadalupe, Curry, Torrance, Quay, Hidalgo, Valencia (+GDP)
- c. Bernalillo, Dona Ana, Chaves, Roosevelt (+Building permits)

2) Below average growth in values, negative GDP **and** Population growth (6) MEDIUM POSITIVE

- a. Luna, Sandoval, Taos, Socorro, Cibola, Colfax (-GDP, -Population)

3) Below average growth in values, but either GDP **or** Population growth (3) WEAK POSITIVE

- b. Santa Fe (-GDP, +Population)
- c. Los Alamos (+GDP, +Population)
- d. Sierra (+GDP, -Population)

4) Strong growth in values, declining economic and population growth (5): NEGATIVE (Strong Values/Declining Socioeconomic data)

- a. Mora, Rio Arriba, San Miguel, Chaves, Union (-GDP, -Population)

5) Declining Non-Residential values and weak Residential growth (5): (Other possible external causes) INDETERMINATE

- a. San Juan (-GDP, +Pop), McKinley (-GDP, -Pop), Grant (+GDP, +Pop), Harding (-GDP, -Pop)
- b. Catron (+GDP, -Pop)

– possible agricultural conversion to Residential (strong increases)

# Taxable Residential & Non-Residential Property Value Trends: County Level

- According to American Community Survey, 5-Year estimates, roughly 40% of NM counties have experienced increases in median home values more than twice the state average (8.2%);
- All these counties also exceeded the national average;
- Notably, Dona Ana (7.4%) and Bernalillo (5.6%) counties experienced increases less than the statewide average.

Geography	2010	2019	%Chg	Geography	2010	2019	%Chg
Eddy	90,700	155,900	71.9%	Quay	65,200	72,700	11.5%
Lea	87,500	133,100	52.1%	Valencia	129,900	142,600	9.8%
De Baca	71,100	106,300	49.5%	San Juan	184,400	200,900	8.9%
Harding	70,300	102,400	45.7%	<b>NM</b>	<b>158,400</b>	<b>171,400</b>	<b>8.2%</b>
Catron	129,400	175,400	35.5%	Otero	104,500	112,400	7.6%
Curry	98,500	125,000	26.9%	Dona Ana	137,200	147,400	7.4%
Sierra	92,800	117,400	26.5%	Bernalillo	188,800	199,300	5.6%
Chaves	86,200	108,700	26.1%	Mora	107,500	112,300	4.5%
Roosevelt	94,800	118,200	24.7%	Los Alamos	297,100	302,800	1.9%
Torrance	92,300	114,300	23.8%	Colfax	103,100	104,800	1.6%
Rio Arriba	136,300	167,300	22.7%	San Miguel	149,400	151,200	1.2%
Sandoval	112,200	135,000	20.3%	Grant	125,000	125,100	0.1%
Lincoln	166,600	193,900	16.4%	Santa Fe	291,700	291,800	0.0%
<b>US</b>	<b>188,400</b>	<b>217,500</b>	<b>15.4%</b>	Union	91,900	88,000	-4.2%
Socorro	108,400	124,100	14.5%	Luna	91,700	86,900	-5.2%
Guadalupe	74,500	85,000	14.1%	Hidalgo	90,800	86,000	-5.3%
Cibola	74,800	84,400	12.8%	McKinley	69,300	64,800	-6.5%
Taos	212,400	239,500	12.8%				

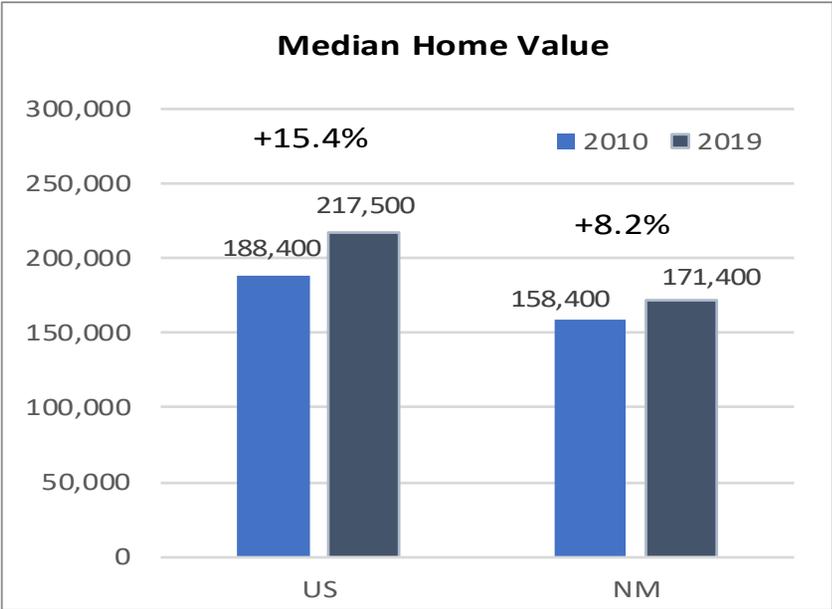
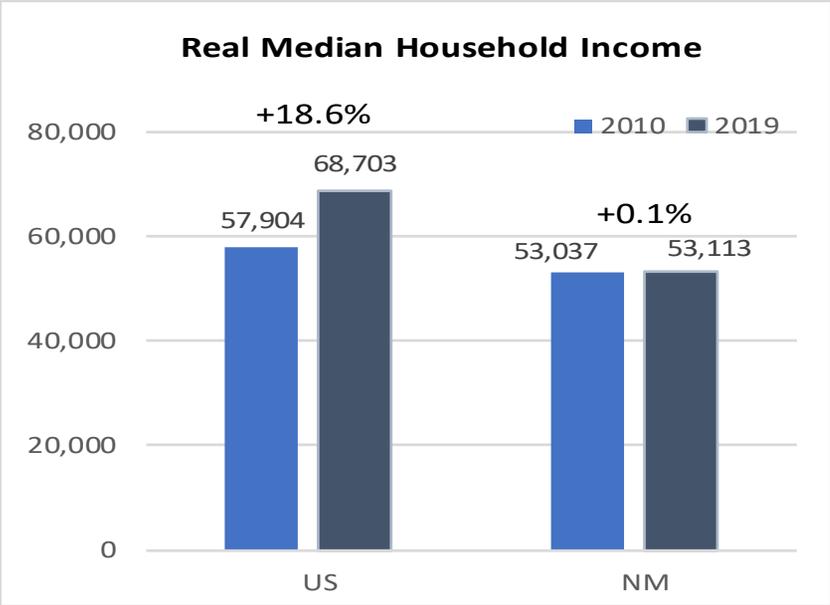
# Taxable Residential & Non-Residential Property Value Trends: County Level

- Utilizing American Community Survey, 5-Year data, BBER calculated Affordability ratios using most recent Home Value and Household Income estimates;
- We found that residents in several counties are stretched to be able to afford homes given median income levels;
- The least affordable counties are Taos (6.2), Santa Fe (4.8), San Miguel (4.4), Lincoln (4.2), Rio Arriba (4.2), and Catron (4.2); these compare to the U.S. average of 3.5 and statewide New Mexico (3.4).

Geography	Home Val.	HH Income	Affordability	Geography	Home Val.	HH Income	Affordability
Taos	239,500	38,329	6.2	San Juan	151,200	50,518	3.0
Santa Fe	291,800	61,200	4.8	Luna	86,900	29,360	3.0
San Miguel	135,000	30,946	4.4	Socorro	124,100	42,083	2.9
Lincoln	193,900	46,216	4.2	Valencia	142,600	48,945	2.9
Rio Arriba	167,300	39,952	4.2	Colfax	104,800	36,302	2.9
Catron	175,400	41,910	4.2	Curry	125,000	45,092	2.8
Mora	112,300	28,446	3.9	Roosevelt	118,200	42,702	2.8
Sierra	117,400	29,755	3.9	Otero	112,400	41,988	2.7
Bernalillo	199,300	53,329	3.7	Chaves	108,700	43,359	2.5
Dona Ana	147,400	40,973	3.6	Quay	72,700	29,035	2.5
Harding	102,400	29,375	3.5	Los Alamos	302,800	121,324	2.5
<b>United States</b>	<b>217,500</b>	<b>62,843</b>	<b>3.5</b>	Union	88,000	35,884	2.5
<b>New Mexico</b>	<b>171,400</b>	<b>49,754</b>	<b>3.4</b>	Eddy	155,900	65,328	2.4
Guadalupe	85,000	24,798	3.4	Lea	133,100	60,546	2.2
De Baca	106,300	31,625	3.4	Cibola	84,400	39,413	2.1
Grant	125,100	37,843	3.3	Hidalgo	86,000	42,526	2.0
Torrance	114,300	36,120	3.2	McKinley	64,800	33,834	1.9
Sandoval	200,900	63,802	3.1				

# Taxable Residential & Non-Residential Property Value Trends: County Level

- NM Real Household Income over the last decade have not grown, while Median home values are up 8.2% statewide; Real median household income was up 18.6% in the U.S. over the same time period.



# Taxable Residential & Non-Residential Property Value Trends: County Level

- Demand for homes in certain key markets in the state have caused residential real estate prices to climb even higher;
- Important indicators of demand, Days on Market (DOM) and Inventory suggest that there is strong demand for housing in Albuquerque, Santa Fe, Las Cruces, Taos, Angel Fire and Red River;
- Given employment and personal income trends in New Mexico much of this demand likely is coming from non-New Mexico residents;

<u>Changes in Sales Prices (Px) and other Key Metrics, March 2020 to March 2021*</u>				
	<u>Median Px</u>	<u>Avg. Px</u>	<u>DOM</u>	<u>Inventory</u>
Albuquerque	13.7%	13.0%	-43.2%	-69.2%
Santa Fe	22.0%	-	-23.4%	-61.9%
Las Cruces	-	10.1%	-47.1%	-67.3%
Taos	29.8%	32.4%	-19.5%	-
Angel Fire	51.2%	84.3%	-40.3%	-
Red River	34.1%	20.6%	-21.4%	-

\*Year-over-year Single Family, Days on Market (DOM).

# Fiscal and Economic Impacts of Agricultural Land Loss

## Agricultural Land Loss: Fiscal & Economic Impacts (1 of 7)

- As a base case scenario, we quantified the potential **fiscal** and **economic** impacts connected to land conversion;
- We began by using the annualized acreage loss over the last 20 year using the USDA NASS data by land type to estimate the average loss of acreage per year;
- Analysis was completed in four parts:
  - 1) FISCAL gains/losses in property tax;
  - 2) INFRASTRUCTURE costs;
  - 3) ECONOMIC gains/loss from agricultural production;
  - 4) ECOSYSTEM services benefit/loss from moving land from agriculture to development use.

# Agricultural Land Loss: Fiscal & Economic Impacts (2 of 7)

## ASSUMPTIONS & INPUTS

- In order to estimate potential gains in property tax revenues we compiled market price data on acreage for sale across New Mexico;
- We screened for properties without structures that were 1.0 acres and larger and pulled data for all 33 counties;
- BBER settled on the Statewide simple average by size, arriving at \$3,984 for properties with 40+ acres and larger, and \$40,031 for properties <40 acres;
- We also Used USDA NASS per acre prices by land type: Irrigated Cropland (\$4,370), Pasture/Grazing (\$420), Non-Irrigated (\$475) to estimate base values for calculating the potential differential.

## Agricultural Land Loss: Fiscal & Economic Impacts (3 of 7)

### FISCAL Inputs & Calculations (Estimated Increase in Tax Revenues)

- Used statewide mil levy average (Residential);
- BBER estimates historical agricultural acreage loss by type is suggestive of an average loss rate of 218,252 acres per year;
- As a result of 218,252 acres being assessed a Fair Market Value we estimate an **increase in property tax revenues of \$10.1 million.**

Land Type	Year0	Year1 An.	Loss Rt.	Ag Acre Loss
Pasture & Rangeland	36,146,772	35,943,104	-0.6%	(203,668)
Crop Land	1,825,827	1,811,243	-0.8%	(14,584)
Irrigated	626,034	619,087	-1.1%	(6,947)
Non-Irrigated	1,199,793	1,192,156	-0.6%	(7,637)
<b>TOTAL</b>	<b>37,972,599</b>	<b>37,754,347</b>	<b>-0.6%</b>	<b>(218,252)</b>

Land Type	Taxable Value		Tax Revenues		
	Ag Use	Fair Market	Ag Use	Fair Market	\$Chg.
Irrigated Crop Land	10,119,921	92,702,066	306,674	2,809,243.42	2,502,569
Non-irrigated Crop Land	1,209,179	10,141,629	36,643	307,332	270,689
Pasture & Rangeland	28,513,474	270,465,335	864,072	8,196,182	7,332,109
<b>TOTAL</b>	<b>39,842,574</b>	<b>373,309,031</b>	<b>1,207,389</b>	<b>11,312,757</b>	<b>10,105,368</b>

# Agricultural Land Loss: Fiscal & Economic Impacts (4 of 7)

## INFRASTRUCTURE (Cost of Community Services)

- Academic and Applied Research has found that land used for residential development requires higher infrastructure costs in connection with public services like **sewer, water, utilities, roads, schools;**
- We estimate the per acre cost of providing infrastructure service to formerly agricultural lands for residential development to be \$1.16 (of tax revenues generated);
- Under this scenario, if 218,252 acres converted, the additional cost of providing residential services to be **\$11.7 million.**

# Agricultural Land Loss: Fiscal & Economic Impacts (5 of 7)

## ECONOMIC IMPACT

- BBER developed per acre sales estimates by agricultural land use type to estimate the economic impacts of agricultural lands being converted for development;
- Because the conversion of agricultural land will remove acreage from farming and ranching production, we developed estimates for the loss of economic output and jobs.
- BBER developed a per acre sales estimate by land use type using USDA NASS and NMDA data;
- Using IMPLAN 3.0 we estimate a loss of **\$3.87 million in direct sales, and \$7.06 million in Total (Direct, Indirect, and Induced) economic output loss**, and the loss of 69 agricultural jobs;

Impact Type	Employment	Labor Income	Output
Direct Effect	42	1,702,918	3,869,937
Indirect Effect	15	459,406	1,634,572
Induced Effect	12	450,872	1,555,728
Total Effect	69	2,613,197	7,060,237
Multiplier	1.58	1.46	1.77

# Agricultural Land Loss: Fiscal & Economic Impacts (6 of 7)

## FISCAL IMPACT INPUTS (**Ecosystem Services**)

- Finally, BBER developed estimates of the Ecosystem Services impact of taking these lands out of agricultural use and converting to residential development;
- Using values developed in related national studies, we use the per acre ecosystem benefit for soil formation and stability, which we believe to be reasonable but conservative assumptions;
- BBER estimates the conversion of 218,252 agricultural acres to residential development will result in an **ecosystem services loss of \$1,527,763.**

# Agricultural Land Loss: Fiscal & Economic Impacts (7 of 7)

## TOTAL FISCAL & ECONOMIC IMPACTS

- Totaling the Fiscal and Economic Impacts, Infrastructure Costs, and the Ecosystem Services losses, we estimate that the conversion of agricultural lands has a net negative impact on the NM economy;
- Specifically, BBER estimates that the loss of 218,252 acres may add \$10,105,368 in property tax revenues, however, the associated **economic, infrastructure cost**, and **ecosystem services loss** would more than offset the fiscal gains by a net amount of -\$10.2 million; and Direct, Indirect, and Induced job losses totaling 69.

Activity	Impact
Economic & Fiscal Impacts (Property Tax)	
Fiscal Gains (Loss)	10,105,368
Agricultural Economic Gains (Loss)	(7,060,237)
Infrastructure Costs	(11,722,226)
Ecosystem Services Gains (Loss)	(1,527,763)
TOTAL	(10,204,859)
Agricultural Job Gains (Loss)	(69)

# Conservation Special Use Valuation (1 of 4)

## FISCAL and ECONOMIC IMPACT INPUTS

- In our full report BBER explores different policy options that could be enacted to address agricultural land conversion;
- Building on the land conversion analysis, we used the same assumptions and the same level of to develop estimates for a possible Conservation Special Use Valuation that has been proposed in previous sessions;
- One of the most important inputs for completing this analysis relates to the number of acres that could potentially move from agricultural to a new conservation valuation;
- BBER uses NRCS conservation cost schedules specific to New Mexico for estimating the potential economic impacts for associated conservation activities; these are Soil health crop rotation for the cropland and Improved grazing management pasture and rangelands;
- In this scenario, other key assumptions were: conservation SUV land to be appraised at 25% of Fair Market Value; vacant landowners would not seek to qualify for Conservation status given 5-year agricultural historical use requirement – if these property owners still desired to secure conservation status, they would rather participate in federal Conservation Stewardship Program, which allows participating land at the lower agricultural valuations;

## Conservation Special Use Valuation (2 of 4)

### FISCAL and ECONOMIC IMPACT INPUTS

- For determining the appropriate participation rate for the proposed Conservation Special Use Valuation, we considered participation rates in related state and federal conservation programs:
  - There are 233,836 acres in the NM Land Conservation Incentives (NMLCI) program (income tax rebates for conservation use);
  - There are 62,630 acres in the federal (e.g. Conservation Stewardship Program and Wildlife Habitat Incentives Program);
  - There are only 3 properties in the federal Forest Legacy program managed by EMNRD.
  - According to USDA NASS data, the total acreage for land being used for conservation in New Mexico is 500,203 acres (or 1.2% of total agricultural acreage in the state);
- BBER believes using a 1.2% participation rate is quite high given that this is equivalent to all acres in New Mexico being used for conservation purposes;

# Conservation Special Use Valuation (3 of 4)

## 25% FMV

- BBER estimated fiscal impacts are \$3.027 million;
- Using the same methodology for the conversion analysis, we estimate an economic loss of \$10.55 million;
- Because conservation management of the land entails specific land management activities not unlike agricultural production, we modeled the economic impacts for these activities, estimating \$4.58 million in output and the addition of 74 jobs under the conservative scenario; \$7.27 million and 117 jobs when adding wildlife habitat management to economic impact analysis;
- Ecosystem service gains total \$3.2;
- The net combined fiscal and economic impact for Conservation scenario is **\$246,815** and **net job loss of 28**; when including wildlife habitat management the net combined effect is **\$2.9 million** and **16 jobs**.

Activity	Conservative*	Mixed**
<b>Economic &amp; Fiscal Impacts (Property Tax)</b>		
Fiscal Gains (Loss)	3,027,283	3,027,283
Agricultural Economic Gains (Loss)	(10,551,343)	(10,551,343)
Conservation Economic Gains (Loss)	4,581,177	7,267,399
Infrastructure Costs	-	-
Ecosystem Services Gains (Loss)	3,189,698	3,189,698
TOTAL	246,815	2,933,037
<b>Job Gains (Loss)</b>		
Agricultural	(101)	(101)
Conservation	74	117
TOTAL	(28)	16

\*Crop rotation & managed grazing.

\*\*Adds wildlife habitat management.

# Conservation Special Use Valuation (4 of 4)

## 40% FMV

- In the 40% scenario only the Fiscal gains/losses change from the 25% scenario, as well as the TOTAL;
- Fiscal gains increase to \$6.2 million in this scenario;
- The net combined fiscal and economic impact for Conservation scenario is **\$3.4 million**;
- When including wildlife habitat management the net combined effect is **\$6.1 million** and 16 jobs.

Activity	Conservative*	Mixed**
<b>Economic &amp; Fiscal Impacts (Property Tax)</b>		
Fiscal Gains (Loss)	6,188,227	6,188,227
Agricultural Economic Gains (Loss)	(10,551,343)	(10,551,343)
Conservation Economic Gains (Loss)	4,581,177	7,267,399
Infrastructure Costs	-	-
Ecosystem Services Gains (Loss)	3,189,698	3,189,698
<b>TOTAL</b>	<b>3,407,760</b>	<b>6,093,982</b>
<b>Job Gains (Loss)</b>		
Agricultural	(101)	(101)
Conservation	74	117
<b>TOTAL</b>	<b>(28)</b>	<b>16</b>

\*Crop rotation & managed grazing.

\*\*Adds wildlife habitat management.

## Related Intersections

- Natural, Working, and Agricultural lands are the underpinnings of what makes New Mexico's rural heritage unique and helps attract important tourism dollars;
- The preservation of and active management of agricultural, working and natural lands helps to mitigate extreme environmental events;
- The number of natural disaster (drought, wildfire, severe storm) occurring in the U.S. increased by a multiple of nearly 5 times in the last decade (2011-2020); the costliness of these events increased by 600%;
- New Mexico natural disasters increased by a factor of 2.5 times in the last decade with losses from these disasters totaling \$2.65 billion;
- According to USDA Forest Service data, approximately 3 million state and federal acres were destroyed by wildfires in the last decade (2010-2019)
- The cost of the 2020 Cerro Gordo fire was \$1 billion and wildfires from 2009-2012 cost \$1.5 billion;

# Conclusions & Recommendations

There are many benefits associated with keeping traditional land based cultures on their lands. We think it makes sense to provide them with different incentives and tools in order to do so. Here are some of our findings and recommendations:

## Tax Related Policies

- Enact legislation that supports and improves the viability of young and beginning farmers. As it relates to tax policy because many producers matching these demographics are operating on a smaller scale, allowing properties engaged in agricultural production on lots less than an acre to qualify for agricultural valuations (currently the state minimum qualifying acreage is 1 acre). New York State has enacted a law along these lines;
- Provide more guidance on what constitutes agriculture. NMSU publishes a handbook for county assessors. For example, traditional methods like agriculture and indigenous practices should be detailed so as to be easily recognized by the Assessor staff;
- NM Legislature should consider funding conservation easements in the state. Many of these may include federal and state tax credit components. Many property owners have trouble qualifying for federal conservation programs;
- Consider “Circuit Breaker” tax credits that give agricultural producers a credit on their annual tax bill if they meet certain household income requirements. These credits do not necessarily offer property tax relief but they do have the merit of being well targeted;

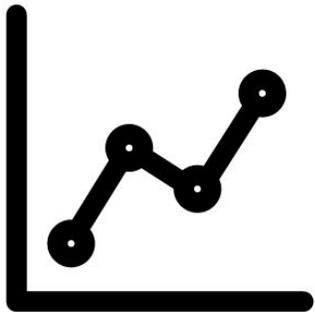
# Conclusions & Recommendations

## Non-Tax Related Policies

- Urban Agriculture Enabling Statutes
- Land Use Planning
- State Funded Conservation Programs
- Farmland Conversion Statutes or Executive Orders
- Programs that support Farm Viability
- Increase Landowner Participation in Existing Federal Conservation Programs
- Payment for Ecosystem Services



# BUREAU OF BUSINESS & ECONOMIC RESEARCH



ECONOMIC FORECAST



DATA DASHBOARDS



RESEARCH



DATA BANK