

**Sandoval County Assessor
Policies and Procedures:
Special Method of Agricultural Valuation**

In accordance with NMSA (1978), § 7-36-20, the rules promulgated by the Taxation and Revenue Department, and all governing laws, it is the policy of the Sandoval County Assessor’s Office (“Assessor’s Office”) to administer the Special Method of Agricultural Valuation for properties used primarily for agricultural purposes as follows:

1. General Requirements

A. All property, regardless of whether the property may be used for an agricultural purpose, shall be assessed in accordance with the standard procedures of the Assessor’s Office unless the property qualifies for a Special Method of Agricultural Valuation. To be eligible for the Special Method of Agricultural Valuation, a subject property must meet all of the following requirements: Application shall be made under oath and shall be made no later than 30 days after the date of mailing by the assessor of the notice of valuation.

- i. The property must be used for a bona fide agricultural purpose;
- ii. The agricultural use must be the primary use of the land; and
- iii. The agricultural use cannot be passive or incidental.
- iv. The Owner of the land must make application to the county assessor in a tax year in which the valuation method is first claimed to be applicable to the land in the tax year immediately subsequent to a tax year in which the land was not valued under the special method of valuation.

B. “Agricultural use” means the use of land for the production of plants, crops, trees, forest products, orchard crops, livestock, poultry, captive deer or elk, fish, and any other use which may be recognized by law. Other recognized uses include certain agreements pursuant to a soil conservation program, resting the land to maintain its capacity to produce agricultural products in subsequent years, and grazing.

C. The Assessor’s Office will evaluate evidence that may demonstrate primary agricultural uses to determine whether the property may be valued as agricultural. Qualifying evidence for each qualifying agricultural use includes, but is not limited to, the following:

Qualifying Agricultural Use	Eligibility Requirements	Evidence of Qualifying Use
Plants	Property size must exceed one (1) acre. Plants must be produced for sale or subsistence; OR used by others for sale or resale; OR used as seed or feed for livestock on the tax rolls. The production of plants for consumption of owners’ recreational horses will not be considered.	Farm income and farm expenses reported to the U.S. IRS for federal income tax purposes; Evidence of agricultural products. Narrative of planting and harvesting history; Evidence of water usage; Evidence of sales or intent to sell; Evidence of subsistence or as feed or seed;
Crops	Property size must exceed one	Farm income and farm

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	(1) acre. Produced for sale or subsistence; OR used by others for sale or resale; OR used as seed or feed for livestock on the tax rolls. The production of plants for consumption of owners' recreational horses will not be considered.	expenses reported to the U.S. IRS for federal income tax purposes; Evidence of sales or intent to sell; Evidence of subsistence (home consumption) or as feed or seed;
Trees	Property size must exceed one (1) acre. Produced for sale or subsistence; OR used by others for sale or resale; OR used as seed.	Farm income and farm expenses reported to the U.S. IRS for federal income tax purposes; Narrative of planting and harvesting history; Evidence of water usage; Evidence of sales or intent to sell.
Forest Products	Property size must exceed one (1) acre. Produced for sale or subsistence; OR used by others for sale or resale; OR used as seed.	Evidence of production and sales or intent to sell. Natural forestation without production will not be considered.
Orchard Crops	Produced for sale or subsistence; OR used by others for sale or resale; OR used as seed. The planting of the orchard must be in a proper system and with an intentional layout that is maintained for the production of orchard crops. The Special Method of Agricultural Valuation will only be applied to the portion of the property upon which the orchard is situated or that has a primary agricultural use.	Farm income and farm expenses reported to the U.S. IRS for federal income tax purposes; Narrative of planting and harvesting history; Evidence of water usage; Evidence of sales or intent to sell; Evidence of subsistence (home consumption) or as feed or seed. Percent of crop produced that is used for home consumption of aggregate crop.
Livestock other than Cattle		
Captive Deer or Elk	Land shall be valued as grazing land. All captive deer must be valued and taxed as sheep, and all captive elk must be valued and taxed as cattle.	Evidence of a class A game farm as legally permitted by NM Game and Fish Department.

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Resting of land to maintain its capacity produce agricultural products.	Property may be rested for up to 3 consecutive years.	Resting of property must be reported to the assessor's office annually.
Resting of land as a direct result of at least moderate drought condition as designated by US Dept. Of Agriculture	Property may be rested for up to 3 consecutive years.	If the drought conditions occurred in the county within which the land is located for at least eight consecutive weeks during the previous tax year. Provided that the land was used in the tax year immediately preceding the previous tax year. Property owner must provide evidence of drought conditions as designated by the USDA, as well as evidence of use in prior year.
Agreements pursuant to a soil conservation program	Property must meet the requirements for payment or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government. Conservation easements that are private in nature or not with the federal government do not qualify	Property must meet the requirements for payment or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government.
Grazing	<p>Property must be stocked with livestock that are reported to the Assessor's Office for valuation. Horses used for recreational purposes will not be considered for agricultural purposes without evidence of intent to breeding and selling.</p> <p>Property must contain the minimum number of acres capable of sustaining one animal unit for a minimum of 6 months without supplemental feed. Carrying capacity for parcels less than</p>	<p>L. Farm income and farm expenses reported to the U.S. IRS for federal income tax purposes; Evidence that the land was being rested to maintain its capacity to produce agricultural products in subsequent years; Copies of grazing leases; Narrative of grazing history; Copies of any grazing management plans for the property; Evidence</p>

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	<p>640 acres will be determined by dividing the acreage by the annual carrying capacity as determined by the department.</p> <p>If incapable of sustaining one animal unit, then the Assessor's Office may consider the following:</p> <p>D. Whether the property is of sufficient capacity to produce more than one-half of feed required for the year for livestock on the property. Sufficient Carrying capacity of acreages less than ordered by the State will only be considered if the property owner has provided an official letter or document from a qualifying governmental agency such as the USDA stating that the property for which the application was made, can sustain 1 animal unit for 6 months without supplemental feed.</p> <p>E. Predominant use of the land has been continuous;</p> <p>F. Purchase price paid;</p> <p>G. Effort to care sufficiently and adequately for the land in accordance with accepted commercial agricultural practices;</p> <p>H. Whether the property</p>	<p>of a ranching operation and sales made by the ranching operation. If property leased for grazing a copy of the lease and evidence that the leasee has rendered livestock that reside one the property. For acreages that do not meet the carrying capacity size as ordered by the New Mexico Property Division the property owner must provide an official documentation from a qualifying governmental agency such as the USDA stating that the property for which the application was made, can sustain 1 animal unit for 6 months without supplemental feed. Such documentation must be provided for each parcel for which an application has been made.</p>
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	<p>has been divided;</p> <p>I. Whether the property is eligible for landowner hunting permits issued by the Dept of Game and Fish;</p> <p>J. Whether it is contiguous to land used primarily for agricultural purposes owned by a member of the landowners immediate family; and</p> <p>K. Any other applicable factors.</p>	
Honeybees	<p>Property size must exceed one (1) acre, or if colonies are located on less than one (1) acre, the property must meet the requirements of another qualifying agricultural use; Property containing apiaries may be valued as agricultural if it is part of a larger property that independently qualifies for the valuation based on another agricultural use. Those areas of the operation that are used for storage, distribution, marketing or shipping are not eligible for valuation as agricultural land.</p>	<p>IRS for federal income tax purposes; Evidence demonstrating the size of the apiary and of the production of honey; Narrative of colony and/or apiary history; Evidence of compliance with the Bee Act, NMSA (1978), § 76-9-1, et seq. and any requirements of the Department of Agriculture or the Board of Regents of NMSU; Evidence of sales or intent to sell; Evidence of subsistence (home consumption).</p>

M. Any property owner claiming or requesting valuation under the Special Method of Agricultural Valuation must comply with reasonable requests by the Assessor’s Office for information, as well as inspections of the subject property. Failure to reasonably comply with a request by the Assessor’s Office for supporting documentation or inspection may be grounds for denial of the Special Method of Agricultural Valuation.

N. The Special Method of Agricultural Valuation will only be applied to those portions of any property that have a primary agricultural use. If the Special Method of Agricultural Valuation is granted, traditional agricultural facilities located on that valued property may be included in the Special Method of Agricultural Valuation if used for an agricultural purpose. Structures and facilities which may be included in the Special Method of Agricultural Valuation

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include, but not limited to, the following: Barns, Pig pens, Corrals, Bunk houses, Farm equipment sheds, and associated outbuildings.

O. All appeals and protests of any matter arising under or pursuant to this policy shall be handled in the same manner as all other appeals and protests of decisions by the Assessor's Office.

2. Homesites and Residences

A. Under no circumstances shall a homesite or residence, together with any and all appurtenant lands used for purposes related to the homesite or residence, be valued pursuant to the Special Method of Agricultural Valuation .

B. Appurtenant residential lands which are also ineligible for the Special Method of Agricultural Valuation include, but are not limited to, the following: Yards, Lawns, Driveways, Swimming pools, Tennis courts, abandoned building, buildings not subject to taxation and all such similar facilities.

C. Homesites and residential properties are presumed to be a minimum of one (1) acre, although the unique conditions of the property may be evaluated to determine whether the homesite or residence exceeds or is less than the presumed one (1) acre.

D. In the event the property owner disputes the presumption that the homesite or residence is a minimum of one (1) acre, the property owner bears the burden of proving that a portion of the acre allocated as a homesite or residence is actually used for agricultural purposes. Any local or county ordinance that impose acreage greater than or equal to 1 acre will be considered.

3. Presumptions of Land Use for Valuation Purposes

A. A presumption of agricultural use exists for all properties which are currently, or have been in the previous three (3) years, determined to be of primarily agricultural use, provided the use of the land has not changed. This presumption does not impact or otherwise interfere in any way with the ability of the Assessor's Office to determine whether the Special Method of Agricultural Valuation applies in any given year upon an independent review of all available data or inspection of the subject property.

B. There is a presumption that an agricultural use *does not exist* if the income generated from non-agricultural use of the land exceeds the income from any claimed agricultural use. Income received from the property owner's use of the land for the lawful taking of game is not to be considered in determining whether the non-agricultural income exceeds the income from agricultural use.

4. Applications for the Special Method of Valuation

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A. The Assessor's Office shall make available to all property owners within its jurisdiction an application form for valuation as agricultural land which complies with the requirements of law. The application form may be updated from time-to-time as deemed necessary by the Assessor.

B. Applications are required for the first year the property owner is seeking the Special Method of Agricultural Valuation or in any year immediately after a year in which the property was not valued pursuant to Section 7-36-20 NMSA 1978.

C. All property owners wishing to have their property assessed under the Special Method of Agricultural Valuation, whether for the first time or following a year in which the property was not valued under the Special Method of Agricultural Valuation, must submit the application form for valuation as agricultural land to the Assessor's Office.

D. Application shall be made under oath, shall be in a form and contain the information required by TRD rules and must be made no later than thirty days after the date of mailing by the Assessor's Office of the notice of valuation. The Assessor's Office will inform the applicant that the application was not received in time to process the request, and notify the property owner that an application may be submitted for the following tax year.

E. For application forms that are timely received, the Assessor's Office will conduct an evaluation to determine whether the subject property is eligible for the Special Method of Agricultural Valuation. Property owners should be prepared to provide documentation demonstrating that the property is used primarily for an agricultural purpose upon submission of the application, as well as for a field review by the Assessor's Office to inspect the subject property. Failure to provide sufficient documentation or to comply with a request to inspect the property may result in the property being declared ineligible for valuation as agricultural land for that tax year. If upon the inspection no evidence of agricultural use can be determined the application may be denied for the current year and reviewed for the upcoming tax year.

F. For all new requests to value property as agricultural (i.e. for property which has not been previously valued as agricultural in the last three (3) years), the burden of demonstrating that the land is used primarily for agricultural purposes lies with the property owner.

G. The Assessor's Office will notify the property owner of its determination after the application has been reviewed and processed.

H. If the Assessor's Office determines that the property is used for a primarily agricultural purpose and otherwise meets the requirements of the Special Method of Agricultural Valuation, the application will be approved and the property will be valued as agricultural land. If the Assessor's Office determines that the property is not used for a primarily agricultural purpose, or does not otherwise meet the requirements of the Special Method of Agricultural Valuation, the application will be denied and the property will be valued in accordance with the standard procedures of the Assessor's Office.

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5. Valuation Process

A. All improvements to the property shall be valued separately and shall be added to the value of the land. This requirement does not apply to dams, reservoirs, tanks, canals, irrigation wells, installed irrigation pumps, stock-watering wells and pumps, similar structures and equipment used for irrigation or stock-watering purposes, water rights and private roads. These improvements are considered as appurtenances to the land they serve and are not valued separately from the land.

B. Once a property has been classified as agricultural, the property shall be valued in accordance with all applicable laws and regulations.

6. Continued Valuation Under the Special Method of Agricultural Valuation

A. A property which has previously been approved for valuation as agricultural land may continue to be eligible for the valuation if the property continues to be used primarily for an agricultural purpose.

B. A new application does not have to be submitted each year once the property has been valued as agricultural land, although the property is subject to review and inspection by the Assessor's Office each year to ensure the property remains eligible for the Special Method of Agricultural Valuation.

C. The Assessor's Office may, at any time, conduct an evaluation to determine whether the subject property is currently eligible for the Special Method of Agricultural Valuation, including conducting a field review to evaluate the subject property, or requesting documentation from the property owner regarding the Special Method of Agricultural Valuation of the property.

D. Property owners should be prepared to provide documentation and other evidence of a primary agricultural use in any year their property is considered for valuation as agricultural land.

E. Property owners must comply with all reasonable requests of the Assessor's Office for documentation or to conduct an inspection of the property.

F. Failure to provide sufficient documentation, evidence of an agricultural use, and/or to permit inspection for the tax year in question will result in the property being declared ineligible for valuation as agricultural land in that tax year.

7. Duty to Report Agricultural Purpose

A. Property owners must identify the particular agricultural purpose for which the property is being used when submitting an application or valuation as agricultural land.

B. In the event the previously identified agricultural purpose changes or is modified, the property owner must notify the Assessor's Office in the tax year for which the change occurs.

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C. A change or modification in the stated agricultural purpose occurs whenever the previously identified purpose changes to any other identified purpose listed herein. Examples of changes or modifications in an agricultural purpose include property that was previously used for crops but is now being used for grazing, vineyards that have been converted into orchards, and areas used for captive deer and elk that are now used to produce forest products.

D. Whenever a change or modification in the stated agricultural purpose occurs, the Assessor's Office may conduct an evaluation of the property to determine whether the new use meets the requirements for the Special Method of Agricultural Valuation.

E. When the land is resting to maintain its capacity to produce agricultural products or as the direct result of at least moderate drought conditions as indicated by the U.S Department of Agriculture.

F. If property is leased it is the Owners responsibility to notify the assessor's office that a change of lease has occurred.

G. It is the Owners responsibility to ensure that the leasee of property for grazing purposes reports livestock located on the property. Failure to do so may result in the reclassification from agricultural status.

8. Changes in Use

A. In the event the property is no longer used primarily for an agricultural purpose, a change in use occurs.

B. The property owner must notify the Assessor's Office of any change in use of the property, as well as any and all changes to the character or use of the property which may impact the property's eligibility for the Special Method of Agricultural Valuation. Notice of a change in use must be given to the Assessor's Office no later than the last day of February of the tax year immediately following the year that the change in use occurred.

C. The Assessor's Office may, at any time, conduct an evaluation to determine whether the subject property is currently eligible for the Special Method of Agricultural Valuation, including conducting a field review to evaluate the subject property, or requesting documentation from the property owner regarding the Special Method of Agricultural Valuation of the property. In the event the Assessor's Office requests documentation from the property owner or conducts an inspection of the property as provided herein, the property owner shall comply with all reasonable requests of the Assessor's Office.

D. The Assessor's Office must change the valuation of the property if it determines at any time, whether by report of the property owner or upon independent inquiry that the use of the land is no longer primarily for agricultural purposes.

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E. If no livestock has been reported as residing on the property and no notification of resting of the land it will be removed reclassified as non-agricultural.

9. Change in Use; Liability for Failure to Report and Falsification of Information

A. In the event a change in use occurs which renders the subject property ineligible for the Special Method of Agricultural Valuation, the property owner shall notify the Assessor's Office no later than the last day of February of the tax year immediately following the year that the change in use occurred. Failure to timely notify the Assessor's Office of a change in use may result in a penalty being imposed upon the property owner by the Assessor's Office of the greater of Twenty-Five Dollars (\$25.00), twenty-five percent (25%) of the difference between the property taxes ultimately determined to be due and the property taxes originally paid for the tax years for which the person failed to report the change in use, or any other amount authorized by law. The property owner alone is responsible for ensuring that the current use of the property is accurately reported to the Assessor's Office each year, and is imputed with knowledge of all laws, rules, ordinances, and regulations governing the Special Method of Agricultural Valuation, once enacted.

B. All information provided by the property owner must be accurate and truthful. The property owner alone shall be liable for ensuring the accuracy of any information provided to the Assessor's Office by the property owner. In the event the Assessor's Office determines that the property owner willfully or intentionally provided false or fraudulent information to the Assessor's Office, regardless of whether such information was relied upon by the Assessor's Office in making its determination, the property owner may be subject to any penalty provided for by law.

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