

# **County Treasurer's Handbook**

## **A Reference for County Treasurers**

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## FOREWORD

The New Mexico State University Cooperative Extension Service is pleased to provide you with this valuable resource. We hope that the information contained in this handbook will help you become an effective and efficient leader within your scope of elected responsibilities.

We have sincerely enjoyed developing this handbook in conjunction with the New Mexico Association of Counties and other elected officials who have assisted with input and much valued expertise. Their talented efforts and contributions should enhance this handbook's usefulness. The citizens of New Mexico are fortunate to have such talented and dedicated individuals representing them at the New Mexico Association of Counties.

Cathe Prather, Chief Deputy Treasurer of Otero County, contributed to the update of this 2008 handbook. Tasia Young, NMAC legislative liaison, followed up with a second review, including appendices. Tracey Kimball, Legislative Services Council librarian, offered invaluable service regarding statute updates. Albina Armijo, project coordinator in NMSU's County College office, prepared the manuscript and managed print production.

We look forward to working with the Treasurers' Affiliate to review the concept, utility and content of the handbook before the next edition.

Terry Canup  
County College Coordinator  
NMSU Cooperative Extension Service

## INTRODUCTION

The *County Treasurer's Handbook, A Reference for County Treasurers* was developed for locally elected officials, particularly county treasurers, and for the citizens of New Mexico who elect them. This handbook should serve as a reference containing information related to the duties, responsibilities and authority of county treasurers. County treasurers or other county officials should use this handbook as a guide; it is not intended to be an all-inclusive reference.

New Mexico's citizens may also use this handbook as an educational resource to gain a basic understanding of how New Mexico's counties operate and the roles and responsibilities of county officials. New Mexicans are encouraged to use this handbook to educate themselves and hopefully participate and contribute to the county government processes which help make New Mexico a great place to live and work.

Throughout this handbook references are made to the New Mexico Constitution, the New Mexico statutes, and to certain Attorney General Opinions. Rather than footnote each citation, references are placed in an abbreviated format in parentheses following the textual statement. In the case of references to the New Mexico Constitution, reference is made to the article and section. For example, Art. IX, Sec. 13 refers to Section 13 of Article IX. References to New Mexico law as codified in the statutes are made to chapter, article and section, in that order. For example, 15-36-1 refers to Chapter 15, Article 36 and Section 1 of the New Mexico statutes. The few references to the Attorney General Opinions are in terms of the year that the opinion was rendered according to the sequential numbering system of that Office. For example, AG Opinion No. 92-05 refers to an Opinion rendered by the Attorney General in 1992, and specifically to Opinion No. 5. If a colon appears after the citation it refers to a specific page number of the Opinion. No attempt has been made, nor should any be inferred, to interpret these laws or opinions. They are intended to merely reference the sources that govern certain areas of operation of the county elected official.

Throughout this handbook the masculine pronoun is used; this is for convenience to the reader and is intended to encompass both genders when used with reference to county elected or appointed personnel. Also throughout the manual, reference may be made to the board of county commissioners, the legal entity that acts on behalf of the county politic and corporate. However, this board is commonly referred to by the public and in other publications as the "county commission", "county commissioners", "board" or "governing board or body", or "local public body". All refer to the members of the board of county commissioners acting collectively and not individually.

This handbook should be one of many resources you can use to assist you as an elected county official to help manage your duties and responsibilities. We sincerely hope this 2008 edition provides you with the basic tools to assist you in your position of county treasurer for the State of New Mexico.

## CHAPTER I COUNTY GOVERNMENT IN NEW MEXICO

### **Counties are Created by New Mexico Law**

The courts in New Mexico have, on several occasions, affirmed that the counties are involuntary subdivisions of the state, created primarily to assist with the administration of the policies of the state. Notwithstanding this subordination of the counties to the state, and in accordance with both law and custom, counties are independent and self-governing, and function as more than an arm of the state.

New Mexico law provides a detailed legal framework for county government, describes the powers of county officials, and enumerates the functions that counties may perform. The powers of the county as a political and corporate entity are exercised by a board of county commissioners (4-38-1). Although the county commissioners as a board may enact certain ordinances affecting the departments of other county elected officials, they may not interfere with another elected official's ability to perform the duties of the Office he was elected to carry out, nor does the board have management or operational control over those other elected officials' departments, other than overall budgetary authority on behalf of the county as a whole. Thus, considerable coordination and cooperation is necessary if the county government is to efficiently provide the many and varied services for which it is responsible.

The county treasurer is one of several elected officials with a distinct set of statutory duties, yet whose duties overlap and affect other officials' duties and functions. For example, the county assessor is responsible for preparing all tax schedules and tax rolls for submission to the treasurer for mailing and collection. If one department does not meet its statutory deadlines, it directly affects the ability of the other to meet his statutory deadlines. Therefore, it may help the reader to understand the treasurer's role better if a brief description of some of the offices that the treasurer works with most closely is first provided.

### **Brief Description of Other County Offices**

*The Board of County Commissioners.* Members are elected to the board of county commissioners for four (4) year terms (4-38-6) and must live in the district they represent. A county may have three to five commissioners depending on local option.

The board of county commissioners has the power to adopt the county's budget, to levy county taxes, and to enact ordinances. It is charged with examining and settling all accounts of receipts and expenses (4-38-16) and for providing for the issuance of bond financing for necessary public buildings, roads, bridges, airports, utilities, hospitals, and libraries. County orders for payment from the county treasury are to specify the nature of the claim of service, be signed by the chairman of the board of county commissioners, and attested to by the

county clerk. Money shall be paid from the county treasury (4-45-4).

The board may employ a county manager and create a personnel merit system for county employees (4-37-1), which may affect the employees of the other elected officials, such as setting their hours of employment etc. The board also carries out vital election, planning and zoning, and health and safety functions through its many departments' staffs. They may enter into a joint powers agreement with other counties or municipalities to provide common necessary services.

Finally, the board has significant appointive, administrative and regulatory powers. The board of county commissioners, selects, appoints and re-appoints members to many different commissions and boards that work on county issues on its behalf or on behalf of the county's departments. The board members do not appoint, but rather constitute the county canvassing board, the entity charged with post-election duties of tallying the votes and ensuring the integrity of each election. Also, the board constitutes the *ex officio* board of finance. In this capacity, the board has supervision over the determination and qualification and selection of banks, savings and loan associations and credit unions to receive public money. The board of finance meets as necessary or whenever informed by the county treasurer (6-10-8). For more information concerning the position of county commissioner, please refer to the New Mexico County Commission Handbook.

Assessor. The county assessor is responsible for the proper valuation of all property located within the county for property taxation purposes. Generally, the functions of this Office are set forth in the Property Tax Code and other regulations and orders issued by the State Taxation and Revenue Department. The assessor is required to periodically update property values, which is done through labor intensive field inspections, appraisals, written surveys and correspondence regarding all real property in the county. Once the assessor's office has completed the valuation and protest processes, the property tax schedules are prepared and forwarded to the treasurer. For more information on this office, please refer to the County Assessor Handbook.

Clerk. The county clerk's duties for the board of county commissioners are set forth in 4-40-2 *et seq* and include recording all proceedings of the board, recording all resolutions and decisions (*i.e.*, maintenance of the Minutes), ensuring that the Minutes reflect the votes of each commissioner on each action or question and otherwise comply with the Open Meetings Act, to sign all orders issued by the board for the payment of money and to record the receipts and expenditures as received from the county treasurer. In addition to these duties as the *ex officio* clerk for the board, the clerk serves many other functions that are vital for the proper functioning of county government.

One of the most important functions the clerk performs is to conduct Primary, General and Statewide Elections in conjunction and coordination with the Secretary of State, the Chief

Election Officer of the State of New Mexico. In addition to statewide elections, the clerk's Office assists with many other municipal, school district and other local elections. Election duties involve voter registration duties; maintenance of a current voter registration database; processing applications for absentee voting; compliance with all statutory Election Notice requirements; voting machine acquisition, maintenance, and technical training of personnel on the machines and also on the Help America Vote Act that mandates equal access to all to the polls; training of hundreds of volunteer poll workers each election year; and lastly, serving as the staff to the canvassing board (*i.e.* the board of county commissioners) regarding post-election duties (*i.e.*, tallying of votes) as delegated by the board. In order to perform these election duties, the clerk also must work very closely with the county's information technology department because the election data, voter registration records and voting machines all consist of technologically advanced computer software and hardware.

In addition to the clerical duties on behalf of the board, and the election duties outlined above, the clerk also supplies property records (*i.e.*, deeds, real estate contracts and surveys) to the assessor in order that the assessor and staff may perform their duties. The clerk works with treasurer by depositing all fees collected from the public for the recording of documents, as well as to post the financial records of the county as provided by the treasurer. The clerk keeps all deputy oaths on file, seals, and more importantly, no money can be spent unless the clerk signs the warrants issued by the board of county commissioners.

*District Attorney.* The district attorney is another locally elected county official whose duties require coordination and communication with the elected county sheriff, county commissioners, county clerk and other officials. District attorneys are elected in each of New Mexico's judicial districts for a four year term (Art. VI, Sec. 24). The district attorney is the law officer of the state and of the counties within his district. The district attorney is authorized by statute to represent the county in matters before the boards of county commissioners whenever requested by the board, and also to represent the county in all civil cases of concern to those counties before the Supreme Court or the Court of Appeals (36-1-18, 36-1-2). For example, owners of real property who protest the valuation of their property may file an appeal with the district court; under the current statutory scheme, the assessor might request legal assistance and representation from the district attorney's office for the matter. However, in many counties today, the board of county commissioners either has established a legal department to serve as in-house counsel to the county departments, or has contracted with private counsel to provide this type of civil representation on behalf of the county and its elected officials.

*Sheriff, Surveyor and Probate Judge.* Other county elected officials with important duties, but who may not interact with the treasurer on as regular a basis as those mentioned above include the county sheriff (4-41-3), county surveyor (4-42-1) (many if not most counties do

not have an elected surveyor), and the probate judge (34-7-1 and Art. VI, Sec. 23).

### **Classification of Counties**

The state constitution specifies that the legislature may classify counties (Art. X, Sec. 1), but may not legislate differently for each class (Art IV, Sec. 24), unless there is a substantial distinction not arbitrary in nature. The courts have held that special legislation is only appropriate in the extremely rare case where a special law is needed and general legislation cannot apply.

Population and assessed value have been used as the basis for classification of the counties for the purpose of providing a salary schedule for county officials. *See* Appendix A, Classification of Counties in New Mexico. Such a system of classification provides the legislature greater freedom to attend to the unique problems of classes of counties than would be possible under uniform legislation.

Counties are classified every even-numbered year by the director of DFA, based on the assessed valuation of each county at the end of the preceding year (Art. X, Sec. 1 and 4-44-2). Once the classification has been made, a reduction of any assessment does not change the classification (A.G. Opinion 1937-38:50).

### **Salaries and Fees of County Officials**

The state legislature is responsible for fixing the salaries, other fees or emoluments of county officials. The legislature fixes the salaries for the different county officials based upon the classification of the county, also set by the legislature, in terms of population and assessed valuation. The classification of counties begins on January 1 of odd-numbered years and is valid for two years (4-44-2). *See* Appendix A, Maximum Salary Schedule for County Officers - Effective January 1, 2007.

The boards of county commissioners are not required to adopt the maximum allowable salary (4-44-12.2). In fact, the boards are allowed to decrease the salaries of elected county officials. (AG Opinion No. 92-05). Additionally, the salary an official or employee receives may be less than the amount authorized if taxes collected are not sufficient to cover all county expenses, in which case the salaries of county officers are to be reduced proportionately (6-6-13).

All fees received by an officer, other than annual salary (includes benefits, and any occasional mileage and per diem reimbursement that the official or employee may be entitled to) must be turned over to the county treasury (Art. X, Sec. 1). There are other laws regarding ethical governmental conduct and procurement laws that also prohibit the acceptance of gifts

or other items of value by public officials (*See* 10-16-1 through 18).

The New Mexico legislature declared its intent regarding uniform salary changes in Section 4-44-12.3 which provides:

- A. The intent of the legislature when enacting salary increases for elected county officials is to provide for equitable salary increases.
- B. In accordance with Sections 4-44-3 through 4-44-8 NMSA 1978, the majority of a board of county commissioners may provide for salary increases for elected county officials; provided however, that no salary increase shall take effect until the first day of the term of an elected county official who takes office after the date that salary increase is approved.

Subsection (B) was amended in 1999 amendment following litigation that resulted as a result of the apparent conflict between the legislature's intent for uniform/equitable salaries amongst county officials and the constitution's ban against mid-term salary increases. In *State ex rel Harragan v. Harris*, Petitioners were numerous county elected officials seeking to force DFA to implement the salary changes that were authorized by their respective boards acting upon an amendment in the statute increasing the maximum salaries, during their term(s) of office. The district court granted the relief sought. DFA appealed to the Court of Appeals, which certified the question to the New Mexico Supreme Court.

The Supreme Court concluded that the mid-term salary increases were in violation of Art. IV, Sec. 27 of the New Mexico Constitution and reversed the district court. This means that the individual commissioners serving the same county will be compensated at different salary rates as a result of the timing of the authorization of the salary increase and their staggered terms of office (4-44-12.3). A constitutional amendment that would have permitted mid-term salary increases was defeated by the voters in November 2008.

### **Per Diem and Mileage**

Reimbursement to county officials for their travel and mileage necessitated by county business is governed by the Per Diem and Mileage Act (10-8-1 through 8). This is one area that has been known to cause confusion and frustration for elected officials and county staffs alike, which is alleviated upon learning the intricacies of the Act. Elected county officials unfamiliar with the Act should consult with their finance department, and/or DFA if there is disagreement with the manner in which travel and per diem are being reimbursed. This is imperative because the Act provides for administrative and criminal sanctions, as well as for removal from Office for violations of the Act. (*See* 10-8-4, (7)). The Per Diem and Mileage Act, as amended in 2003, sets the allowable rates for travel reimbursement for all public officials, including state, school district and county governments and their respective volunteer agents.

The increased rate for mileage is 32 cents per mile for each mile traveled in a privately owned vehicle. Only one person per vehicle is eligible for mileage; and persons driving county owned vehicles are not entitled to mileage. The increased rate for mileage for a privately owned aircraft is 88 cents per mile if the travel is necessary to discharge of official duties, and the private conveyance is not a common carrier (10-8-4 (D)). The actual cost of airline travel tickets is also reimbursable.

For each 24 hour period, or portion thereof, while in travel status, *non-salaried* public officers shall be reimbursed according to 10-8-4 (K) and receive reimbursement for actual lodging expenses and actual meal expenses (limit of \$30/\$45 per day in state/out), or shall be reimbursed according to 10-8-4 (A) for a flat rate per diem in an amount up to \$95. Reimbursement rates do not apply for attendance at board or committee meetings held within the boundaries of the municipality, or designated post of duty (10-8-4 (B); 10-8-4 (I); 10-8-4 (A) (2)).

*Salaried* public officers or employees are entitled to reimbursement for travel costs at either a flat per diem rate (10-8-4 (B)) or for actual expenses (10-8-4 (K)). The flat per diem reimbursement rate for *in-state* travel increased in 2003 to \$85 per day per diem, or up to \$135 in high cost areas as designated and approved by the board of county commissioners. The flat per diem reimbursement rate for *out-of-state* travel increased in 2003 to \$115, or \$215 for high cost areas (10-8-4 (C) (1)). Examples of out-of-state high cost areas are currently Chicago, Washington D.C., New York, Los Angeles and San Francisco. This reimbursement is also subject to rules promulgated by DFA.

The maximum reimbursement rates that boards of county commissioners may authorize for actual expenses increased to actual lodging cost, plus actual expenses for meals up to \$30 per day *in state* or \$45 per day *out-of-state*.

To receive reimbursement for *either* flat per diem or actual travel expenses, travel vouchers must be completed, signed and submitted with the receipts (10-8-5(B)).

All counties are subject to the rules and regulations promulgated by the Secretary of DFA regarding the provisions of the Per Diem and Mileage Act (10-8-5(A)) and are subject to any reduction in the per diem rate for certain classes of public officials as might be imposed by the Secretary of DFA (10-8-5(D)).

Advance disbursements to confirm or reserve travel arrangements may be allowed at the discretion of each county and upon the conditions set by each county in their finance/travel policies and procedures.

One final note about the Per Diem and Mileage Act is that it prohibits travel or mileage

reimbursement to be paid to county officials in their final months of office, if they have not sought re-election to their currently held office, or if they have been defeated in the Primary or General Election (10-8-5(F)). Subsection (G) clarifies that this “lame duck” provision of subsection (F) does not apply to those elected public offices ineligible to succeed himself after serving his term in office.

### **Change in Counties’ Boundaries**

The statutes provide a process for changing county boundaries under certain circumstances. If it is determined that one county can better render the services to part of another county *owing to location and condition and existence or non-existence of transportation facilities*, it is possible for the affected part to be annexed by the county which can provide the more efficient services (4-33-1). In another case, when the exact boundary between two counties is in question, a boundary commission is created to mediate the dispute (4-35-1).

There are no provisions for direct abandonment of a county; however, a county may be incorporated into a new county through action of the state legislature or into one or more existing counties through the actions of residents of the original county. In addition, the constitution provides that city and county Municipal Corporation may be formed by combining city and county governments, as long as the new city and county territory shall contain at least 50,000 inhabitants (Art. X, Sec. 4).

### **Removal of County Seat**

Generally, the term “county seat” means county jail, county courthouse and other county facilities used for county administration. The statutes defining and specifying the boundaries of each county and the mandated location (if any) of each county seat are historical and numerous (*See* various articles within chapter 4 of NMSA 1978). Similarly, the laws governing how a county’s boundaries or the county seat may be moved are also archaic, rendering them at times difficult to apply in modern times. For example, the statutes contemplate a deposit of \$40,000 from petitioners seeking to re-locate the county seat and; limits the construction costs of replacing the buildings to three times that, or \$120,000 (4-34-3), when today’s costs associated with constructing county administrative facilities runs in the millions of dollars.

Due to population growth, expansion and evolution of the types of services provided by counties, inflation and some conflicts in statutory provisions, the logistics of moving or removing a county seat are not clear cut. The law does specifically prohibit the moving of a county seat from a town served by a railroad to one not served. (4-34-1): The statutes conflict regarding how often the issue may be considered (4-34-1: 10 years; Art. X, Sec. 3: 8 years).

Section 4-34-1 requires petitioners in an amount equal to at least one half of the number of

legal votes cast at the preceding general election in order to initiate the placement of the question of moving the county seat on the ballot for an election. Depending upon the timing of the petition, the election would either be at the next general election if within the year the petition was filed, otherwise, by special election within two months. This statute requires a majority of the votes cast on the issue, while the New Mexico constitution requires a 3/5 majority of votes cast (Art. X, Sec. 3). This statute provides that there shall not be an election on the issue of removal of a county seat more often than once every ten years when the New Mexico constitution provides that it shall not be more than eight.

## CHAPTER II OFFICE OF COUNTY TREASURER

### **Term of Office**

The county treasurer serves a four year term (4-38-6).

### **General duties**

The treasurer's statutory duties (4-43-2) include:

- 1) to keep account of all monies received and disbursed;
- 2) to keep regular accounts of all checks and warrants drawn on the Treasury and paid;
- 3) to keep the books, papers, and monies pertaining to this Office ready for inspection by the board of county commissioners at all times.

County revenues consist of property and other taxes, various fees, licenses, and distributions and grants from the state and federal governments. The county treasurer is the *ex-officio* collector of all county revenues and has all powers and duties provided by law to county collectors. (4-43-3). The treasurer is responsible for the collection of taxes, penalties, and interest due under the property tax code. County revenues are also distributed by the county treasurer (6-10-36), and an administrative charge is to be assessed to each entity that receives funding through an *ad valorem* distribution (7-38-38.1).

The treasurer also supervises the deposit, safekeeping and investment of all county funds, with the advice and consent of the board of county commissioners sitting as the board of finance regarding the determination and qualification of banks, savings and loans and credit union to receive the county's deposits (6-10-8).

The treasurer is also in charge of compiling the budget and operating the office within budgetary limitations. On a monthly basis the treasurer must prepare a financial statement (10-17-4). *See* Calendar of Events for County Treasurer for this and other deadlines at Appendix C.

### **Assuming/Departing the Office**

When a treasurer leaves office, he/she is required to make a full and complete settlement with the board of county commissioners and deliver in the presence of the county clerk all books, papers, and other property to his/her successor. The board of county commissioners is required to file a comprehensive financial statement with the state auditor including all unfinished business of the treasurer that is passed on to a successor. The books must be balanced before being passed on to the successor (4-43-4).

### **Salary**

As described in Chapter I, the salary of all county treasurers is controlled by state law. The state constitution authorizes the state legislature to set the salaries, and it has done so based upon the classification of each county (4-44-1 through 4-44-14). The classification and salary level for New Mexico county treasurers are listed in Appendix A.

**Bond and Oath of Office**

The law requires all county officers to be bonded, to assure faithful performance of the duties required by law (10-1-13). Any elected county official failing to meet the nominal bonding requirements by January 10th following his/her election or within ten days after appointment shall have his office declared vacant. The treasurer must also take and subscribe to an oath of office as must any appointed deputies. It is evident the law is somewhat outdated, as it requires that the amount of the bond is to be fixed by the board of county commissioners in an amount equal to 20% of all public monies received during the preceding fiscal year, but not to exceed the following amounts:

<b>County Treasurer</b>	<b>\$50,000</b>
County Commissioner	5,000
County Assessor	5,000
County Clerk	10,000
County Sheriff	20,000
County Surveyor	5,000
Probate Judge	5,000
County Flood Commissioner	10,000
Small Claims Court Clerk	10,000

The cost of the bond for all county officers is to be paid from the county general fund, and the terms of this statute are usually fulfilled by coordination between the elected officer and the county’s risk manager, in cooperation with the New Mexico Association of Counties, and the insurance pool that insures most New Mexico counties.

**Vacancy in Office**

When a vacancy occurs in a county office by reason of death, resignation or otherwise, the board of county commissioners appoints a qualified person to hold the office until a successor is duly elected and qualified (10-3-3).

**Removal, Suspension and Abandonment of Office**

Any county officer may be removed from office on the following grounds: conviction of any felony or of any misdemeanor involving moral turpitude; failure, neglect or refusal to discharge the duties of the office; knowingly demanding or receiving illegal fees; failure to account for money coming into his/her hands; gross incompetency or gross negligence; and

any other act or acts which, in the opinion of a jury or court, amount to corruption in office or gross immorality rendering the officer unfit to fill the office (10-4-1, 10-4-2).

In addition to the grounds and process involved in the statutes identified above, the director of the Department of Finance and Administration may suspend any local official when an audit reveals any of the following: fraudulent misappropriation or embezzlement of public monies; fiscal mismanagement of an office resulting in a violation of law; willful violation of DFA regulations; or willful failure to perform any duty required by any law which the director of DFA is charged with enforcing. Upon such suspension, the director of DFA may take charge of the office of the person suspended. The statutes provide for a hearing and a petition for reinstatement. The suspended officer may be reinstated by order of the district court if the director of DFA does not show reasonable cause for the suspension, or at the discretion of the director, if the suspended officer makes a proper showing satisfactory to the director that he/she is willing and able to conduct his office as provided by law and that no loss will be suffered by the county. Where there are grounds for removal from office, the director of DFA may cause removal proceedings to be initiated by the district attorney (10-5-19).

The statutes also provide for the temporary replacement of officers serving active duty in the military service and for replacement of officers who permanently abandon their offices. Permanent abandonment is defined as the acceptance of public office or employment (other than military service) or private employment for compensation when such office or employment results in failure to devote the usual and normal amount of time during ordinary working hours to duties of his office for a period of 30 successive days or more (10-6-1 through 10-6-6).

### **Abolishment of Office Permitted**

Any county of the third, fourth, fifth or H class may abolish the offices of county assessor, clerk, surveyor and treasurer and transfer the powers and duties of the abolished offices to the board of county commissioners (4-44-36). The procedures for abolishing these Offices may be initiated by a petition signed by at least 10% of the registered voters in the county (4-44-37). The procedures for challenging the petition and conducting an election on the question are set fourth in statutes 4-44-38 to 4-44-43. The statutes also provide for the re-establishment of the abolished offices by similar procedures (4-44-44).

**CHAPTER III**  
**PROPERTY TAXES AND OTHER SPECIAL LEVIES**

There are various types of taxes that the treasurer must be familiar with. The most common tax encountered is the property tax which is imposed under authority of the Property Tax Code. Some of the most pertinent provisions follow.

**§7-36-21.2. Limitation on increases in valuation of residential property:**

- A. Residential property shall be valued at its current and correct value in accordance with the provisions of the Property Tax Code [Chapter 7, Articles 35 to 38 NMSA 1978]; provided that for the 2001 and subsequent tax years, the value of a property in any tax year shall not exceed the higher of one hundred three percent of the value in the tax year prior to the tax year in which the property is being valued or one hundred six and one-tenth percent of the value in the tax year two years prior to the tax year in which the property is being valued. This limitation on increases in value does not apply to:
- (1) a residential property in the first tax year that it is valued for property taxation purposes;
  - (2) any physical improvements made to the property during the year immediately prior to the tax year or omitted in a prior tax year; or
  - (3) valuation of a residential property in any tax year in which:
    - a) a change of ownership of the property occurred in the year immediately prior to the tax year for which the value of the property for property taxation purposes is being determined; or
    - b) the use or zoning of the property has changed in the year prior to the tax year.
- B. If a change of ownership of residential property occurred in the year immediately prior to the tax year for which the value of the property for property taxation purposes is being determined, the value of the property shall be its current and correct value as determined pursuant to the general valuation provisions of the Property Tax Code [Chapter 7, Articles 35 to 38 NMSA 1978].
- C. To assure that the values of residential property for property taxation purposes are at current and correct values in all counties prior to application of the limitation in Subsection A of this section, the department shall determine, for

the 2000 tax year, the sales ratio pursuant to Section 7-36-18 NMSA 1978 or, if a sales ratio cannot be determined pursuant to that section, conduct a sales-ratio analysis using both independent appraisals by the department and sales. If the sales ratio for a county for the 2000 tax year is less than eighty-five, as measured by the median ratio of value for property taxation purposes to sales price or independent appraisal by the department, the county shall not be subject to the limitations of Subsection A of this section and shall conduct a reassessment of residential property in the county so that by the 2003 tax year, the sales ratio is at least eighty-five. After such reassessment, the limitation on increases in valuation in this section shall apply in those counties in the earlier of the 2004 tax year or the first tax year following the tax year that the county has a sales ratio of eighty-five or higher, as measured by the median ratio of value for property taxation purposes to sales value or independent appraisal by the department. Thereafter, the limitation on increases in valuation of residential property for property taxation purposes in this section shall apply to subsequent tax years in all counties.

D. The provisions of this section do not apply to residential property for any tax year in which the property is subject to the valuation limitation in Section 7-36-21.3 NMSA 1978.E. As used in this section, "change of ownership" means a transfer to a transferee by a transferor of all or any part of the transferor's legal or equitable ownership interest in residential property except for a transfer:

- (1) to a trustee for the beneficial use of the spouse of the transferor or the surviving spouse of a deceased transferor;
- (2) to the spouse of the transferor that takes effect upon the death of the transferor;
- (3) that creates, transfers or terminates, solely between spouses, any co-owner's interest;
- (4) to a child of the transferor, who occupies the property as his principal residence at the time of transfer; provided that the first subsequent tax year in which that person does not qualify for the head of household exemption on that property, a change of ownership shall be deemed to have occurred;
- (5) that confirms or corrects a previous transfer made by a document that was recorded in the real estate records of the county in which the real property is located;
- (6) for the purpose of quieting the title to real property or resolving a disputed location of a real property boundary;

- (7) to a revocable trust by the transferor with the transferor, the transferor's spouse or a child of the transferor as beneficiary; or
- (8) from a revocable trust described in Paragraph (7) of this subsection back to the settlor or trustor or to the beneficiaries of the trust.

**HISTORY:** 1978 Comp., §§ 7-36-21.2, enacted by Laws 2000, ch. 10, §§ 2; 2001, ch. 321, §§ 1; 2003, ch. 118, §§ 1.

**§7-36-21.3. Limitation on increase in value for single-family dwellings occupied by low-income owners sixty-five years of age or older or disabled**

A. For the 2001 and subsequent tax years the valuation for property taxation purposes of a single-family dwelling owned and occupied by a person who is sixty-five years of age or older and whose modified gross income, as defined in the Income Tax Act [7-2-1 NMSA 1978], for the prior taxable year did not exceed the greater of eighteen thousand dollars (\$ 18,000) or the amount calculated pursuant to Subsection C of this section shall not be greater than the valuation of the property for property taxation purposes in the:

- (1) 2001 tax year;
- (2) year in which the owner has his sixty-fifth birthday, if that is after 2001; or
- (3) tax year following the tax year in which an owner who turns sixty-five or is sixty-five years of age or older first owns and occupies the property, if that is after 2001.

B. For the 2003 and subsequent tax years, the valuation for property taxation purposes of a single-family dwelling owned and occupied by a person who is disabled and whose modified gross income, as defined in the Income Tax Act [7-2-1 NMSA 1978], for the prior taxable year did not exceed the greater of eighteen thousand dollars (\$ 18,000) or the amount calculated pursuant to Subsection C of this section shall not be greater than the valuation of the property for property taxation purposes in the:

- (1) 2003 tax year;
- (2) year in which the owner is determined to be disabled, if that is after 2003; or
- (3) tax year following the tax year in which an owner who is disabled or who is determined in that year to be disabled first owns and occupies the property, if that is after 2003.

- C. The limitation of value specified in Subsections A and B of this section shall be applied in a tax year in which the owner claiming entitlement files with the county assessor an application for the limitation on a form furnished to him by the assessor. The application form shall be designed by the department and shall provide for proof of age or disability, occupancy and income eligibility for the tax year for which application is made.
- D. For the 2002 tax year and each subsequent tax year the maximum amount of modified gross income in Subsections A and B of this section shall be adjusted to account for inflation. The department shall make the adjustment by multiplying the maximum amount for tax year 2000 by a fraction, the numerator of which is the consumer price index ending during the prior tax year and the denominator of which is the consumer price index ending in tax year 2000. The result of the multiplication shall be rounded down to the nearest one hundred dollars (\$ 100) except that if the result would be an amount less than the corresponding amount for the preceding tax year, then no adjustment shall be made. For purposes of this subsection, "consumer price index" means the consumer price index for all urban consumers published by the United States department of labor for the month ending September 30. The department shall publish annually the amount determined by the calculation and distribute it to each county assessor no later than December 1 of each tax year.
- E. The limitation of value specified in Subsections A and B of this section does not apply to:
- (1) a change in valuation resulting from any physical improvements made to the property during the year immediately prior to the tax year or a change in the permitted use or zoning of the property during the year immediately prior to the tax year; or
  - (2) a residential property in the first tax year that is valued for property taxation purposes.
- F. As used in this section, "disabled" means a person who has been determined to be blind or permanently disabled with medical improvement not expected pursuant to 42 USCA 421 for purposes of the federal Social Security Act [42 USC §§ 301 et seq.] or is determined to have a permanent total disability pursuant to the Workers' Compensation Act [52-1-1 NMSA 1978].

**HISTORY:** Laws 2000, ch. 21, §§ 1; 2001, ch. 321, §§ 2; 2003, ch. 78, §§ 1.

### **Tax Rates Authorized and Limited**

The rate of tax is cumulative and is determined by adding up all the rates authorized and set by the State Department of Finance and Administration (DFA), Property Tax Division (PTD) and the State Department of Public Education. The rates are set depending upon the needs of the approved budgets from counties, school districts and municipalities within the county, and also the amount of debt service requirements. The following tax rates are authorized under 7-37-7 and 7-37-7.1 NMSA 1978:

- 1) for county general purposes for 1987 and subsequent property tax years a rate of eleven dollars eighty-five cents (\$11.85) for each one thousand dollars (\$1,000) of net taxable value of both residential and nonresidential property allocated to the county;
- 2) for school district general operating purposes, a rate of fifty cents (\$.50) for each one thousand (\$1,000) of net taxable value of both residential and nonresidential property allocated to the school district; and
- 3) for municipal general purposes for 1987 and subsequent property tax years a rate of seven dollars sixty-five cents (\$7.65) for each thousand (\$1,000) of net taxable value of both residential and nonresidential property allocated to the municipality.

In addition to these rates, there are also authorized rates for the purpose of paying principal and interest on public general debt obligations, provisions approved by voters, and necessary rates to pay tort or worker's compensation judgments against the county, school district, or municipality.

DFA is authorized and directed to promulgate regulations covering the receipt of, accounting for, and distribution of funds received under Property Tax Code by the county treasurers as taxes. DFA may provide that taxes collected by the state and amounts withheld by them as their portion due be credited and shown as paid by the treasurer on the property tax schedule (7-38-23).

### **Property Tax Schedule and Tax Bills**

After receipt of the rate setting order by the board of county commissioners and the order imposing the tax, but no later than October 1 of each year, the county assessor prepares a property tax schedule of all property located in the county that is subject to taxation. The schedule is in a form containing the following information (7-38-35(A)):

- 1) description of property, and if personal property, its location;
- 2) property owner's name and address, and name and address of any person other than the owner to whom the tax bill is to be sent;
- 3) classification of the property;
- 4) value of the property determined for taxation purposes;
- 5) the tax ratio;
- 6) the taxable value of the property;
- 7) the amount of any exemption allowed and a statement of the net taxable value of the property after deducting the exemption;
- 8) the allocations of net taxable value to governmental units;
- 9) tax rate in dollars per thousand of net taxable value for all taxes imposed on the property;
- 10) the amount of taxes due on the property; and
- 11) the amount of penalties and interest already imposed and due on the described property.

The property tax schedule is a public record and must be prepared and delivered by the assessor to the county treasurer by October 1 of each tax year (7-38-35(B)).

The treasurer is generally restricted in making any changes to the schedule, but is authorized by statute to make some limited changes under certain conditions (7-38-77).

**§7-38-77. Authority to make changes in property tax schedule after its delivery to the county treasurer.**

After delivery of the property tax schedule to the county treasurer, the amounts shown on the schedule as taxes due and other information on the schedule shall not be **changed** except:

- A. by the county treasurer to correct obvious clerical errors in:
  - (1) the name or address of the property owner or other persons shown on the schedule;
  - (2) the description of the property subject to property taxation; or
  - (3) the mathematical computation of taxes;
- B. by the county treasurer to cancel multiple valuations for property taxation purposes of the same property in a single tax year, but only if:
  - (1) a taxpayer presents tax receipts showing the payment of taxes by him for any year in which multiple valuations for property taxation purposes are claimed to have been made;

- (2) a taxpayer presents evidence of his ownership of the property, satisfactory to the treasurer, as of January 1 of the year in which multiple valuations for property taxation purposes are claimed to have been made; and
  - (3) there is no dispute concerning ownership of the property called to the attention of the treasurer, and he has no actual knowledge of any dispute concerning ownership of the property;
- C. by the county treasurer, to correct the tax schedule so that it no longer contains personal property that is deemed to be unlocatable, unidentifiable or uncollectable, after thorough research with verification by the county assessor or appraiser, with notification to the department and the county clerk;
  - D. as a result of a protest, including a claim for refund, in accordance with the Property Tax Code, of values, classification, allocations of values determined for property taxation purposes or a denial of a claim for an exemption;
  - E. by the department or the order of a court as a result of any proceeding by the department to collect delinquent property taxes under the Property Tax Code [Chapter 7, Articles 35 to 38 NMSA 1978];
  - F. by a court order entered in an action commenced by a property owner under Section 7-38-78 NMSA 1978;
  - G. by the department as authorized under Section 7-38-79 NMSA 1978;
  - H. by the department of finance and administration as authorized under Section 7-38-77.1 NMSA 1978; or
  - I. as specifically otherwise authorized in the Property Tax Code.

**HISTORY:** 1953 Comp., § 72-31-77, enacted by Laws 1973, ch. 258, § 117; 1974, ch. 92, § 27; 1981, ch. 37, § 79; 1995, ch. 65, § 1; 2000, ch. 32, § 1.

**Exemptions**

The constitution and statutes of New Mexico provide exemptions for property valuation and taxation. Some of these exemptions depend upon who owns the property while other exemptions depend upon how the property is used. The primary exemptions issued are those for veterans, head-of-family and non-government entities. Tax exemption on property continues as long as the use is for the exempted purpose. **Berger v. U.N.M., 28 N.M. 666, 217 P. 245 (1923)**. The head of family and veterans exemption laws are quoted below:

#### **§7-37-4. Head-of-family exemption**

- A. Up to two thousand dollars (\$ 2,000) of the taxable value of residential property subject to the tax is exempt from the imposition of the tax if the property is owned by the head of a family who is a New Mexico resident or if the property is held in a grantor trust established under Sections 671 through 677 of the Internal Revenue Code, as those sections may be amended or renumbered, by a head of a family who is a New Mexico resident. The exemption allowed shall be in the following amounts for the specified property tax years:
  - (1) for the property tax years 1989 and 1990, the exemption shall be eight hundred dollars (\$ 800);
  - (2) for the property tax years 1991 and 1992, the exemption shall be one thousand four hundred dollars (\$ 1,400); and
  - (3) for the 1993 and subsequent tax years, the exemption shall be two thousand dollars (\$ 2,000).
  
- B. The exemption shall be deducted from taxable value of property to determine net taxable value of property.
  
- C. The head-of-family exemption shall be applied only if claimed and allowed in accordance with Section 7-38-17 NMSA 1978 and regulations of the department.
  
- D. As used in this section, "head of a family" means an individual New Mexico resident who is either:
  - (1) a married person, but only one spouse in a household may qualify as a head of a family;
  - (2) a widow or a widower;
  - (3) a head of household furnishing more than one-half the cost of support of any related person;
  - (4) a single person, but only one person in a household may qualify as a head of family; or
  - (5) a member of a condominium association or like entity who pays property tax through the association.
  
- E. A head of a family is entitled to the exemption allowed by this section only once in any tax year and may claim the exemption in only one county in any tax year even though the claimant may own property subject to valuation for

property taxation purposes in more than one county.

**HISTORY:** 1953 Comp., § 72-30-4, enacted by Laws 1973, ch. 258, § 37; 1983, ch. 219, § 1; 1989, ch. 81, § 1; 1991, ch. 228, § 1; 1993, ch. 343, § 1.

**§7-37-5. Veteran exemption**

- A. Up to four thousand dollars (\$ 4,000) of the taxable value of property, including the community or joint property of husband and wife, subject to the tax is exempt from the imposition of the tax if the property is owned by a veteran or the veteran's unmarried surviving spouse if the veteran or surviving spouse is a New Mexico resident or if the property is held in a grantor trust established under Sections 671 through 677 of the Internal Revenue Code of 1986, as those sections may be amended or renumbered, by a veteran or the veteran's unmarried surviving spouse if the veteran or surviving spouse is a New Mexico resident. The exemption shall be deducted from taxable value of [property] to determine net taxable value of property. The exemption allowed shall be in the following amounts for the specified tax years:
  - (1) for tax years prior to 2003, the exemption shall be two thousand dollars (\$ 2,000);
  - (2) for tax year 2003, the exemption shall be two thousand five hundred dollars (\$ 2,500);
  - (3) for tax year 2004, the exemption shall be three thousand dollars (\$ 3,000);
  - (4) for tax year 2005, the exemption shall be three thousand five hundred dollars (\$ 3,500); and
  - (5) for tax year 2006 and each subsequent tax year, the exemption shall be four thousand dollars (\$ 4,000).
  
- B. The veteran exemption shall be applied only if claimed and allowed in accordance with Section 7-38-17 NMSA 1978 and regulations of the department.
  
- C. As used in this section, "veteran" means an individual who:
  - (1) has been honorably discharged from membership in the armed forces of the United States;
  - (2) served in the armed forces of the United States on active duty continuously for ninety days, any part of which occurred during a period specified in Paragraph (3) of this subsection; and

- (3) served in the armed forces of the United States during one or more of the following periods of armed conflict under orders of the president:
  - (a) any armed conflict prior to World War I;
  - (b) World War I, which, for the purposes of this section, is defined as the period April 6, 1917 through April 1, 1920;
  - (c) World War II, which, for the purposes of this section, is defined as the period December 7, 1941 through December 31, 1946;
  - (d) the Korean conflict, which, for the purposes of this section, is defined as the period June 27, 1950 through January 31, 1955;
  - (e) the Vietnam conflict, which, for the purposes of this section, is defined as the period August 5, 1964 through May 7, 1975;
  - (f) the Grenada conflict, which, for the purposes of this section, is defined as the period October 13 through December 31, 1983; or
  - (g) the Persian gulf conflict, which, for the purposes of this section, is defined as the period August 2, 1990 through the date upon which the president of the United States or a competent military authority declares the conflict to be ended, but in no case earlier than July 1, 1992.
  
- D. For the purposes of Subsection C of this section, a person who would otherwise be entitled to status as a veteran except for failure to have served in the armed forces continuously for ninety days is considered to have met that qualification if he served during the applicable period for less than ninety days and the reason for not having served for ninety days was a discharge brought about by service-connected disablement.
  
- E. For the purposes of Paragraph (1) of Subsection C of this section, a person who would be entitled to be "honorably discharged" unless he received either a dishonorable discharge or a discharge for misconduct.
  
- F. For the purposes of this section, a person whose civilian service has been recognized as service in the armed forces of the United States under federal law and who has been issued a discharge certificate by a branch of the armed forces of the United States shall be considered to have served in the armed forces of the United States.

**HISTORY:** 1953 Comp., § 72-30-5, enacted by Laws 1973, ch. 258, § 38; 1975, ch. 3, § 1; 1975, ch. 77, § 1; 1977, ch. 140, § 1; 1977, ch. 168, § 1; 1981, ch. 187, § 1; 1983, ch. 330, § 1; 1986, ch. 104, § 1; 1989, ch. 236, § 1; 1989, ch. 353, § 1; 1991, ch. 228, § 2; 1992, ch. 68, § 1; 2000, ch. 17, § 1; 2003, ch. 57, § 1.

### **Payment of Property Taxes**

Property taxes in the amount of ten dollars (\$10.00) and over are payable to the county treasurer in two equal installments due November 10th in the year which the tax bill was prepared and on April 10th of the following year. Taxes become delinquent on December 10 and May 10 of each tax year. The board of county commissioners may provide by ordinance that taxes under ten dollars (\$10.00) are due and payable in one single payment on November 10th. If property taxes are less than five dollars (\$5.00), the board of county commissioners may authorize an administrative fee equal to the difference between the tax and five dollars (\$5.00). No administrative fee is due if no tax is due.

If an overpayment is made by the taxpayer, the county treasurer may refund the overpayment if: (1) a written request is made by the taxpayer and received by the treasurer within sixty days of the date the payment was made; or (2) the treasurer on his/her own initiative determines by June 30th of the following year that an overpayment was made.

The board of county commissioners may, by resolution and additional publication efforts, provide the taxpayers an opportunity to pre-pay property taxes if the tax due is one hundred dollars (\$100) or more. The first payment is due July 10th in an amount equal to twenty five percent of the total tax due. Pre-payment for the second installment is due by January 10th in the amount equal to fifty percent of the tax due (7-38-38.2). No penalty and interest shall be applied for failure to pay or to pay late any optional pre-payment of property taxes as authorized by this section.

### **Protesting Values**

A county valuation protest board is created in each county to hear all protests filed by property owners (7-38-25 and 21). All testimony is taken under oath. Protests must be decided within 180 days of the date the protest is filed. If the property owner or his authorized representative fails to appear without reasonable cause, the protest will be denied (7-38-27C). The assessor must maintain a file of all orders issued by the valuation protest board.

If a property owner has not pursued an administrative protest of the valuation pursuant to 7-38-21 (includes issues such as the property classification, the allocation of value, the fact of or the amount of an administrative fee charged, or a denial for claim of exemption), the

property owner may also protest property values after receipt of the tax bill (7-38-39) by filing a claim for refund. This means that the taxes that he disputes to be due and owing must first be paid prior to the delinquency date. The payment that is contested will be deposited into a fund called the “property tax suspense fund” (7-38-41). These monies are used to pay refunds if the taxpayer prevails.

Claims for refund are filed as a civil action in District Court. When it is decided, the treasurer will receive a copy of the final order from the district court regarding the claim and should submit a copy to the assessor and to the director of the state property tax division so they can update their records accordingly.

### **Delinquent Taxes**

Property taxes become delinquent after ninety days past the payment date. If a taxpayer files a timely protest under sections **7-38-22 and 7-38-24 NMSA 1978**, taxes may become delinquent within thirty days if the property owner:

- 1) fails to pay taxes or appeal a decision of the county valuation protest board, the PTD, or Court with the time allowed for an appeal; or
- 2) fails to pay taxes as ordered within ten days after entry of a final order.

Collection of delinquent property taxes, penalties, and interest is applied first to the oldest outstanding due.

The treasurer is responsible for publishing a notice within the county in a newspaper of general circulation of the date taxes become delinquent. The notice must be published at least once per week for three weeks immediately preceding the week in which the delinquency date, for both the first and second installments are due (7-38-46). Interest due begins accruing on the thirty-first day of delinquency at the rate of one percent per month until paid (7-38-49). A penalty of one percent per month not to exceed five percent is also due on the unpaid balance. The minimum payment that can be imposed is five dollars. Counties may suspend the minimum charge for one tax year by resolution of the board of county commissioners (7-38-50).

### **Delinquent Tax Notification**

The treasurer is required to mail a notice of delinquency for taxes that are past due thirty days as of June 30th of each year (7-38-51). The specific information to be included on the delinquency notice includes:

- 1) the owner of the property as shown on the tax schedule and the address; and
- 2) any person other than the owner to whom the tax bill was sent to;
- 3) description of the property;
- 4) the amount of taxes due;

- 5) date taxes become delinquent;
- 6) interest accrual rate;
- 7) penalties that may be charged;
- 8) a statement that if taxes due on real property are not paid within three years from date of delinquency, the property will be sold and a deed issued by the PTD;
- 9) a statement that if taxes due on personal property are not paid, the property will be seized and sold for taxes under to authority of a demand warrant.

Taxes due are a first lien against property regardless of other liens and are in favor of the state until paid (7-38-48).

### **Personal Property Seizure**

The treasurer is authorized to issue for service a demand warrant by his/her office or by the county sheriff for the seizure of personal property (7-38-53). The treasurer may release all or part of the personal property seized if it is determined that the release will facilitate the collection of the delinquent taxes. However, the release does not prevent any subsequent claims or actions that may be taken against the property. After the property is seized and before ten days of the proposed sale of the property, the treasurer must notify the owner by certified mail to the amount and kind of property seized, and that it will be sold for delinquent taxes unless they are paid prior to the sale. The notice must also state the taxes, interest, and penalties due. Failure of the owner to receive a notice of sale does not affect the validity of the sale (7-38-57). Personal property seized must be offered for sale within sixty days after seizure. A notice of sale must be published in a local newspaper of general circulation at least once a week for three weeks immediately preceding the week of the sale (7-38-58). At the time of the sale, the treasurer must deliver a certificate of sale to the purchaser.

### **Real Property Foreclosure**

Real property may be foreclosed upon for the payment of delinquent taxes. This is generally more involved than the sale of personal property; however, many of the same requirements are still present such as advance notice to the property owner of contemplated sale and publication in a newspaper of sale. More specific information may be obtained from the statutes dealing with real property and PTD.

### **Mobile Homes**

In addition to the information required to be sent in the delinquency notice as previously stated and under 7-38-51, the notice for mobile homes will also contain location and vehicle identification number. The notice must also state that the motor vehicle division will be notified and the legal effect of the security interest created. A copy is to be sent to the Motor Vehicle Division of the Transportation Department. Once taxes, interest, and penalties are

paid, the treasurer certifies this fact and prepares a notification of certified payment with the original to be sent to the Motor Vehicle Division and a copy sent to the owner.

### **Property Tax Delinquency List**

By July 1<sup>st</sup> of each year the treasurer is to prepare a property tax delinquency list for all taxes two years or more delinquent. A notation is made on the property tax schedule indicating that the account is being transferred to PTD at the time the tax delinquency list is mailed to the division.

### **State Actions**

Upon receipt of the property tax delinquency list, the PTD may proceed to seize and sell property under the same procedures that are authorized of the county treasurer. Whenever taxes are paid, a copy of payment received is given to the property owner and a duplicate sent to the treasurer. The treasurer then notes payment on the property tax schedule.

### **Delinquency Limitation**

Property tax delinquent in excess of ten years are indicated as "presumed paid by Act of the Legislature". This applies only to taxes in excess of ten years and the same holds true for levies and assessments in the form of property taxes under provisions of 73- 14-1 through 78-18-43.

The county treasurer may correct the tax schedule so that it no longer contains personal property that is deemed to be unable to be located, unidentifiable or uncollectible, after thorough research with verification by the county assessor or appraiser, with notification to the department and the county clerk.

## **SELECTED SPECIAL LEVIES**

### **Public Improvement Districts**

In addition to collection of property taxes, the treasurers may be involved in billing and collecting special taxes imposed upon portions of the county voluntarily by the residents, through a statutory mechanism designed to provide an affordable method of financing needed public improvements within that particular locale, but not benefitting the county residents at large. The Public Improvement District Act provides a relatively complex system for residents and their boards of county commissioners to create public improvement districts inside the boundaries of the county (5-11-1 through 27). The treasurer may or may not be involved during the process of formation, but if the district is ultimately formed, it is the treasurer as the *ex officio* collector of the revenues of the county that will likely be responsible for collection of any special levy imposed to finance public improvements constructed within the public improvement district.

The public improvement district process begins when a petition, signed by at least 25% of the owners (by assessed value not acreage) of the real property proposed to be included within the area proposed to become the district is filed with the county clerk on behalf of the board of county commissioners, or presented directly to the board of county commissioners at one of its meetings. (5-11-3). A resolution may be adopted by the board of county commissioners declaring its preliminary intent to form the district after a public hearing on the Petition. This preliminary resolution declaring the board's intent to consider the matter may require the persons petitioning for formation of the district to deposit with the treasurer an amount equal to the estimated costs of conducting the feasibility study and other estimated formation costs, to be reimbursed if the district is formed and the requested public improvements are financed (5-11-3(B)).

A study of feasibility and estimated costs of improvements, and maximum benefit to be conferred on each parcel within the proposed public improvement district must be prepared, typically by private engineers and appraisers selected by the county before the board may hold the hearing on the issue of formation of the district. Objections to the formation of the public improvement district may be filed by persons claiming an interest in the real property within the area proposed to become a public improvement district. (5-11-5). At the public hearing (conducted by the BOCC) on the question of formation (after the studies are done and the costs and maximum benefit to each parcel has been provided by the expert engineer and/or appraiser and presented to the board), the board shall determine whether the public improvement district should be formed, and shall based its determination on factors of interest, convenience, necessity of the owners, residents and citizens of the county.

If the board determines that the public improvement district should be formed, it shall adopt a resolution ordering formation of the public improvement district. In its decision, the board shall delete property proposed to be in the district that it determines is not directly or indirectly benefitted by the public improvements; the board may also modify the general plan. If the board decides the public improvement district should be formed, it shall also order an election to be held on the question of whether or not to form the district. (5-11-6). The election shall be conducted in accordance with the requirements of 5-11-7. If the public improvement district passes at the election, and the bonds are issued to finance the public improvements, the treasurer will likely be involved to ensure that the provisions regarding implementation of the special levy are followed, and to oversee the collection of the special levy on each parcel within the public improvement district.

5-11-23 provides the specifics regarding implementation of the special levy. For example, the property taxes for the operation and maintenance expenses of the public improvement district shall not exceed an amount equal to three dollars (\$3.00) per one thousand dollars (\$1,000)

of net taxable value for all real and personal property in the district, absent an election approving same by qualified electors within the district. This statute also sets forth the public improvement district's board's duties; the board of county commissioners is the *ex officio* district board unless another is appointed pursuant to 5-11-2 (F).

5-11-23 requires the district board to make annual statements and estimates of the operation and maintenance expenses of the district, the costs of public improvements to be financed by the taxes or special levy and the amount of all other expenditures for public infrastructure improvements and enhanced services proposed to be paid from the taxes or special levy and of the amount to be raised to pay general obligation bonds of the district or special levy bonds, all of which shall be provided for by the levy and collection of property taxes on the net taxable value of the real property in the district or by the imposition and collection of special levies. The district board shall file the annual statements and estimates with the clerk. The district board shall publish a notice of the filing of the estimate, shall hold hearings on the portions of the estimate not relating to debt service on general obligation bonds or special levy bonds and shall adopt a budget. The district board, on or before the date set by law for certifying the annual budget of the municipality or county, shall fix, levy and assess the amounts to be raised by property taxes or special levies of the district and shall cause certified copies of the order to be delivered to the local government division of the department of finance and administration.

#### **Assessment for Local County Road Maintenance**

A previous law attempting to address the issue of needed public improvements is still valid today, and provides that the board of county commissioners may adopt a resolution determining that any streets totally within an approved subdivision outside the corporate limits of any municipality, and which the board determines to have such a prospective population density as to require extraordinary street maintenance shall be maintained in part at the expense of the owner of any property which abuts upon the streets (67-4-20). The resolution shall only be adopted after a public hearing, notice of which has been advertised in a newspaper of within the county for two consecutive weeks. The assessment for the expense of maintaining the streets shall be billed and collected by the county treasurer at the same time as the property taxes and shall become delinquent thirty days after the date of billing. All delinquent assessments shall be a lien against the tract or parcel of property abutting the street, and the lien shall be enforced as provided in Section 67-24-21 NMSA 1978, 2001, ch. 3422.

## **CHAPTER IV PUBLIC FUNDS AND INVESTMENTS**

It is important that the level of liquidity needed for county operations be accurately calculated. Cash flow needs will determine the amount, timing and kind of investments. In actuality, this is usually done in conjunction with the board of finance (board of county commissioners), county manager and the finance department.

### **Deposits**

Deposits are to be made in financial institutions located within the county that are insured either by FDIC, FSLIC or NCUA. Deposits in excess of the \$100,000 insurance amount must be collateralized by the pledging of securities by the financial institutions. The depository must pledge 50% of the amount on deposit in excess of \$100,000 (6-10-17). A depository bond issued by a surety company may secure a portion of the deposits. Collateral must consist of either securities of the United States its agencies, instrumentalities, or securities of the State of New Mexico, its agencies or instrumentalities, counties, municipalities, or other political subdivisions, or by securities, including student loans, that are guaranteed by the United State or the State of New Mexico.

Revenue bonds may qualify as security only if they are underwritten by a member of the National Association of Security Dealers (NASD) and are rated as "BAA" or above by the nationally recognized bond rating service. Collateral coverage may exceed 50% if determined by the board of finance. The treasurer should periodically review collateral coverage to determine its sufficiency.

Deposits include checking, savings, and certificates of deposit (C.D.'s). Deposits must be done on a pro-rata basis as a percentage of the financial institution's net worth. This is calculated utilizing figures at the beginning of each year by adding total net worth's (assets minus liabilities) of all financial institutions located in the county and dividing each institution's net worth by the total. This percentage is the pro-rata amount that must be maintained by the county.

### **Deposit and investment of funds - 6-10-10 NMSA 1978**

- A. Upon the certification or designation of any bank, savings and loan association or credit union whose deposits are insured by an agency of the United States to receive public money on deposit, the state treasurer and county or municipal treasurers who have on hand any public money by virtue of their offices shall make deposit of that money in banks and savings and loan associations, and may make deposit of that money in credit unions whose

deposits are insured by an agency of the United States, designated by the authority authorized by law to so designate to receive the deposits of all money thereafter received or collected by the treasurers.

- B. County or municipal treasurers may deposit money in one or more accounts with any such bank, savings and loan association or credit union located in their respective counties, subject to limitation on credit union accounts.
- C. The state treasurer may deposit money in one or more accounts with any such bank, savings and loan association or credit union, subject to the limitation on credit union accounts.
- D. Duplicate receipts or deposit slips shall be taken for each deposit made pursuant to Subsection A, B or C of this section. When deposits are made by the state treasurer, one copy of the receipt or deposit slip shall be retained by the state treasurer and the other copy shall be filed monthly on the first day of each month with the financial control division of the department of finance and administration. When deposits are made by the treasurer or any other authorized person making the deposits for a board of finance of a public or educational institution, one copy of the receipt or deposit slip shall be retained by the treasurer or authorized person so making the deposit and the other copy shall be filed monthly on the first day of each month with that board of finance. When deposits are made by a county or municipal treasurer, one of the duplicate receipts or deposit slips shall be retained by the treasurer so making the deposit and the other copy shall be filed monthly on the first day of each month with the secretary of the board of finance of the county or municipality for which that treasurer is acting.
- E. "Deposit", as used in this section, means either investment or deposit and includes share, share certificate and share draft.
- F. County or municipal treasurers, by and with the advice and consent of their respective boards of finance charged with the supervision and control of the respective funds, have the power to invest all sinking funds or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities of any county, municipality or school district that is entrusted to their care and custody and all money not immediately necessary for the public uses of the counties, municipalities or school districts not invested or deposited in banks, savings and loan associations or credit unions in:

- 1) bonds or negotiable securities of the United States, the state or any county, municipality or school district that has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- 2) securities that are issued by the United States government or by its agencies or institutions and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

G. The treasurer of a class A county or the treasurer of a municipality having a population of more than sixty-five thousand according to the most recent federal decennial census and located within a class A county, by and with the advice and consent of the boards of finance charged with the supervision and control of the funds, has the power to invest all sinking funds or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities of the county or municipality that is entrusted to his care and custody and all money not immediately necessary for the public uses of the county or municipality not invested or deposited in banks, savings and loan associations or credit unions in:

- 1) shares of a diversified investment company registered pursuant to the federal Investment Company Act of 1940 that invests in fixed income securities or debt instruments that are listed in a nationally recognized, broad market, fixed-income-securities market index; provided that the investment company or manager has total assets under management of at least one hundred million dollars (\$100,000,000) and provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments;,
- 2) individual, common or collective trust funds of banks or trust companies that invest in fixed income securities or debt instruments that are listed in a nationally recognized, broad market, fixed-income-securities market index; provided that the investment company or manager has total assets under management of at least one hundred million dollars (\$100,000,000) and provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments; or

- 3) shares of pooled investment funds managed by the state investment officer, as provided in Subsection G of Section 6-8-7 NMSA 1978; provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments.
- H. A local public body, with the advice and consent of the body charged with the supervision and control of the local public body's respective funds, has the power to invest all sinking funds or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities of the investor that is entrusted to the local public body's care and custody and all money not immediately necessary for the public uses of the investor and not otherwise invested or deposited in banks, savings and loan associations or credit unions in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be fully secured by obligations of the United States or other securities backed by the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. As used in this subsection, "local public body includes all political subdivisions of the state and agencies, and institutions thereof, provided that home rule municipalities that prior to July 1, 1994 had enacted ordinances authorizing the investment of repurchase agreements may continue investment in repurchase agreements pursuant to those ordinances.
- I. The state treasurer, with the advice and consent of the state board of finance, has the power to invest money held in demand deposits and not immediately needed for the operation of state government and money held in the short-term investment fund, except as provided in Section 6-10- 10.1 NMSA 1978. The investments shall be made only in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies sponsored by the United States government.
- J. The state treasurer may also invest in contracts for the present purchase and resale at a specified time in the future, not to exceed one year or, in the case of bond proceeds, not to exceed three years, of specific securities at specified prices at a price differential representing the interest income to be earned by

the state. No such contract shall be invested in unless the contract is fully secured by obligations of the United States or other securities backed by the United States having a market value of at least one hundred two percent of the amount of the contract.

- K. The state treasurer may also invest in contracts for the temporary exchange of state-owned securities for the use of broker-dealers, banks or other recognized institutional investors in securities, for periods not to exceed one year for a specified fee rate. No such contract shall be invested in unless the contract is fully secured by exchange of an irrevocable letter of credit running to the state, cash or equivalent collateral of at least one hundred two percent of the market value of the securities plus accrued interest temporarily exchanged.
- L. The collateral required for either of the forms of investment in Subsection J or K of this section shall be delivered to the state fiscal agent or its designee contemporaneously with the transfer of funds or delivery of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on a same day basis.
- M. Neither of the contracts in **Subsection J or K** of this section shall be invested in unless the contracting bank, brokerage firm or recognized institutional investor has a net worth in excess of five hundred million dollars (\$500,000,000).
- N. The state treasurer, with the advice and consent of the state board of finance, may also invest in any of the following investments in an amount not to exceed forty percent of any fund that the state treasurer invests:
  - 1) commercial paper rated "prime" quality by a national rating service, issued by corporations organized and operating within the United States;
  - 2) medium-term notes and corporate notes with a maturity not exceeding five years that are rated A or its equivalent or better by a nationally recognized rating service and that are issued by a corporation organized and operating in the United States; or
  - 3) any asset-backed obligation with a maturity not exceeding five years that is rated AAA or its equivalent by a nationally recognized rating service.
- O. The state treasurer, with the advice and consent of the state board of finance, may also invest in:

- 1) shares of a diversified investment company registered pursuant to the federal Investment Company Act of 1940 that invests in United States fixed income securities or debt instruments authorized pursuant to **Subsections 1, J and N** of this section, provided that the investment company has total assets under management of at least one hundred million dollars (\$100,000,000); or
  - 2) individual, common or collective trust funds of banks or trust companies that invest in United States fixed income securities or debt instruments authorized pursuant to Subsections 1, J and N of this section, provided that the investment manager has assets under management of at least one hundred million dollars (\$100,000,000).
- P. No public funds to be invested in negotiable securities or loans to financial institutions fully secured by negotiable securities at current market value shall be paid out unless there is a contemporaneous transfer of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on a same day basis either by physical delivery or, in the case of non certified securities, by appropriate book entry on the books of the issuer, to the purchaser or to a reputable third-party safekeeping financial institution acting as agent or trustee for the purchaser, which agent or trustee shall furnish timely confirmation to the purchaser.

### **Investments**

The types of investments utilized, is dependent upon the excess monies available and their future needs and dates needed. It is important that the county earn the highest return possible. Some of the more common short term investments include savings accounts, C.D.'s, Treasury Bills, and investments with the State treasurer. Savings and C.D.'s are traditional and the easiest method, but must be done in consideration of institution net worth and collateral requirements as previously mentioned. Another method to obtain a higher rate of return utilizing deposits in financial institutions is the use of re-purchase accounts. Re-purchase accounts can be invested on a daily basis which funds are invested in the institution's investment portfolio which typically consists of government securities, treasury bills and other securities that are the same allowed to counties by law. Not all institutions have repurchase accounts available. Treasury Bills (also known as T-bills) can be purchased directly at a premium or discount in increments of \$10,000 and with a maturity of thirty days to one year. If the county is unable to receive a rate of return as set forth under 6-10-36, then with the consent of the board of finance, and if the money required for expenditure is within 30 days or less, the county treasurer may remit it to the state treasurer for short term investments. The state treasurer will invest the money in behalf of the county.

**Short Term Investment Fund Created; Distribution of Earnings; Report of Investments. 6-10-10.**

- A. There is created in the State Treasury the short-term investment fund. The fund shall consist of all deposits from governmental entities and Indian tribes or pueblos that are place in the custody of the State Treasure for short term investment purposes pursuant to this section. The State treasurer shall maintain a separate account for each governmental entity and Indian tribe or pueblo having deposits in the fund.
  
- B. If any local public body is unable to receive payment on public money at the rate of interest as set forth in **NMSA 1978** from financial institutions within the geographic boundaries of the governmental unit, then a local public finance official having money of that local public body, with the consent of the appropriate local board of finance, may remit some or all of such money to the state treasurer for deposit for short term investment.
  
- C. Before local funds are invested or reinvested for short term investment, the local public body finance official shall make such funds available to banks savings and loan associations and credit unions located in their area. To be eligible, the financial institution shall pay to the local public body the rate established by the State treasurer pursuant to a policy adopted by the State board of Finance or short term investments.
  
- D. The local public body finance official shall specify the length of time each deposit shall be in the short term investment fund. In any event the deposit shall not be made for more than 181 days. The State treasurer shall separately track each deposit and make information available to the public upon request.
  
- E. The State treasurer shall invest the short term investment fund in investments with a maturity at the time of purchase that does not exceed **397** days. The State treasurer may elect to have the shot term investment fund consolidated for investment purposes with the state funds under the control of the State treasurer.
  
- F. At the end of each month all net investment income or losses from investment of the short term investment fund shall be distributed by the state treasurer to the contributing entities and Indian tribes or pueblos in amounts directly proportionate to the respective amounts deposited in the fund and the length of time. The State treasurer shall charge participating entities, and Indian tribes or pueblo's reasonable audits, administrative and investment expenses to be paid directly form their net investment income for the investment and

administrative services.

- G. Local Public Body means any political subdivision of the State, including School Districts and any post secondary education institution.
- H. In addition to the deposit of funds of local public bodies, the State Treasurer may also accept funds for several other governmental entities if the governing authority of entity approves by resolution the deposit of the funds for the short term investment.
- I. In addition to the deposit of funds of local public bodies, the state treasurer may also accept for deposit account for, in the same manner as funds of local public bodies, funds of any Indian tribe or pueblo in the state if authorized to do so under a joint powers agreement executed by the state treasurer and the governing authority of the Indian tribe or Pueblo.

Long term investments are monies available for investment in excess of one year. Favorite county investments include C.D.'s, T-Bills, T-Notes, T-Bonds and GNMA's. Investments should generally be in government securities or government insured securities for safety and ease of convenience. The county may also invest in some of the following types of securities although, they are generally the types invested in by the state. Because some of these securities are complex in nature, it is advisable for the county not to invest in some of these securities:

- a) bonds, notes or other obligations of the United States government, its agencies and instrumentalities;
- b) bonds, notes or obligations of a municipal or political subdivision of this state, issued pursuant to a law of this state; provided that the issuer has not, within ten years prior to making of the investment, been in default for more than three months in the payment of any part of the principal or interest on any debt evidenced by its bonds, notes or obligations, and provided further, if the bonds are city or county utility or utility district revenue bonds, the revenues of that utility, other than for payment of operation and maintenance expenses, are pledged wholly to the payment of the interest on and principal of the indebtedness and the utility project has been completely self-supporting for a period of five years preceding the investment;
- c) bonds, debentures or other obligations issued by a federal bank or by a federal intermediate credit bank or banks for cooperatives under the acts of congress known as the Federal Farm Loan Act, as amended, and the Farm Credit Act of 1933, as amended;
- d) bonds, debentures or other obligations issued or guaranteed by any national

- mortgage association under the act of congress of June 27, 1934 known as the National Housing Act, as amended;
- e) bonds, notes, debentures, equipment trust certificates, conditional sales agreements or other evidences of indebtedness of any corporation organized and operating within the United States rated not less than A by a national rating service;
  - f) common and preferred stocks and convertible issues of any corporation organized and operating within the United States; provided that it has a minimum net worth of twenty-five million dollars (\$25,000,000) and securities listed on one or more national stock exchanges, and provided further that the fund shall not own more than five percent of the voting stock of any company. Common stock should represent a diversified portfolio with an above average current yield and the prospect for dividend increases and capital appreciation;
  - g) industrial revenue bonds issued pursuant to the Industrial Revenue Bond Act (3-32-1 to 3-32-16 NMSA 1978), where both the principal and interest of the bonds are fully and unconditionally guaranteed by a lease agreement, executed by a corporation organized and operating within the United States rated not less than A by a national rating service;
  - h) notes or obligations securing loans to New Mexico businesses made by banks and savings and loans associations pursuant to the act of congress of July 30, 1953 known as the Small Business Act of 1953, as amended, only to the extent that both principal and interest are guaranteed by the United States government. The state investment officer may enter into conventional agreements for the servicing of the loans and the administration of the receipts there from. Any servicing agreement may contain reasonable and customary provision as the state investment officer may deem advisable and as may be agreed upon;
  - i) notes or obligations securing loans or participation in loans to business concerns or other organizations where they are obligated to use the loan proceeds within New Mexico, to the extent the loans are secured by first mortgages on real estate located in New Mexico and are further secured by an assignment of rentals, the payment of which is fully guaranteed by the United States in an amount sufficient to pay all principal and interest of the mortgage;
  - j) notes or obligations securing loans issued by banks and savings and loans associations pursuant to Title IV of the act of congress of November 8, 1965 known as the Higher Education Act of 1965, as amended, only to the extent that both principal and interest are guaranteed unconditionally by the United States government. The applicant banks or savings and loans associations shall enter into an indemnity agreement to pay off the investments, together

with interest and any unpaid costs and expenses in connection therewith, according to the terms under which they are made in a form which meets the approval of the state investment officer. The state investment officer may enter into conventional agreements for the servicing of loans and the administration of receipts there from. Any servicing agreement may contain reasonable and customary provisions as the state investment officer may deem advisable and as may be agreed upon;

- k) obligations secured by mortgages constituting a first lien upon real estate located within the state of New Mexico, which are fully insured or guaranteed as to the payment of the principal and interest thereof by the government of the United States or by any authorized agency thereof, including mortgages securing loans insured under the National Housing Act or the Farmers' Home Administration Act, as amended. The state investment officer may enter into conventional agreements for the servicing of those loans and the administration of receipts there from, and any servicing agreement may contain reasonable and customary provisions as the state investment officer may deem advisable and as may be agreed upon, with respect to such matters as the taking and holding of title in the name of the servicing agent for benefit of the state investment officer; the physical custody of the obligations and mortgages serviced by the servicing agent; the deduction of the servicing agent's fee, in the amount which shall not annually exceed one-half of the one percent of the principal balance of the obligations serviced from time to time outstanding, by the servicing agent, prior to remittance of the proceeds; the periodic remittance of the net proceeds received in payment on all obligations so secured to the State treasurer as custodian of the permanent fund; the authority and duty of the servicing agent with respect to the collection of any obligation in default and the effectuation of the applicable federal insurance or guarantee thereof; and other appropriate matters; and
- l) bonds, notes, debentures and other obligations issued by the state of New Mexico. In order to properly reflect the economic substance of transaction, the full cost pass-through accounting method shall be used to account for exchanges of fixed income securities. The security purchased shall assume the book value of the security sold plus or minus the cash differential. The adjustment to the cost value of new fixed income investment shall be amortized over the remaining life of the new investment as an integral part of the amortization of the premium or discount. The sale of fixed income securities with the concurrent reinvestment of the proceeds from the sale into other fixed income securities shall be considered to be an incomplete transaction and accounted for as an exchange. These exchanges shall be recorded on a cost transfer basis, provided the par value of the securities

purchased is not less than the par value of the securities sold, increased income is realized and the proceeds are immediately reinvested. All other sales or dispositions of fixed income securities shall be considered to be completed transactions and accounted for as such.

Not more than fifty percent of the total of the permanent fund shall be invested in securities under Subsections E and F of this section.

Commissions paid for the purchase and sale of any security shall not exceed brokerage rates prescribed and approved by national stock exchanges or by industry practice.

### **Bonds**

An important source of funds for the county involves the issuance of bonds. The most common type is the general obligation bond which may not mature more than twenty years with interest payable either annually or semiannually. These types of bonds cannot exceed four percent of the assessed taxable value of property in the county (Article IX, Section 13 and 4-49-7). A two- year limitation applies to the issuance of the bonds. The time period begins at the date the first proceedings began (6-15-9). This latter restriction does not apply to bond refunding or if the validity of the bond or the bond election is in litigation. Bonds may be issued for various purposes including the construction of county buildings, hospitals, jails, airports, utility projects, and roads. When contemplated and before issuance, the county must submit a bond proposal to the Local Government Division of the Department of Finance and Administration for their review. DFA will then furnish the county information regarding the issuance such as tax rates, debt contracting power and authority, limitations, and other useful information.

Other bonds issued under the County Industrial Revenue Bond Act, County Recreational Bond Act and various acts are not general obligation bonds.

### **Revenue Recipients Administrative Charge**

The treasurer is required to bill revenue recipients for whom revenue has been received for an administrative charge equal to:

- 1) in Class A counties, three fourths of one percent of the revenues received not to exceed forty percent of the assessor's budget; and
- 2) in all other counties, one percent of the revenue received not to exceed forty percent of the county assessor's budget.

The provisions only apply to revenue recipients which include the state and any of its political subdivisions excluding institutions of higher learning located in Class A and Class B counties having an assessed valuation of more than \$300 million. Revenue in this case means

money which the treasurer has a legal responsibility to collect and which is owed to a revenue recipient as a result of the law.

Administrative charges collected by the treasurer are deposited to the county property valuation fund. Expenditures from this fund are made pursuant to a property valuation program presented by the county assessor and approved by the board of county commissioners (7-38-38.1).

## **CHAPTER V FINANCIAL REPORTS**

The county treasurer is responsible for the preparation of various reports. The types of reports vary from county to county depending upon the existence of a finance department and other factors. Some of the more common reports or financial items are as follows.

### **Checks and Warrants**

Checks and warrants are issued by the finance department upon authorization of the board of county commissioners. As they are presented to the bank and presented to the county for payment they are verified and a treasurer's check is issued for payment.

### **§4-45-4. County orders for payment from treasury; form and signature:**

County orders shall be signed by the chairman of the board of county commissioners or his designee and attested by the county clerk and shall specify the nature of the claim of service for which they were issued, and the money shall be paid from the county treasury on such orders and not otherwise. Money may be paid from the county treasury by check or warrant. If money is paid by check, the check must be signed by the chairman of the board of county commissioners or his designee and the county treasurer.

**HISTORY:** Laws 1876, ch. 1, § 21; C.L. 1884, § 352; C.L. 1897, § 670; Code 1915, § 1223; C.S. 1929, § 33-4237; 1941 Comp., § 15-4204; 1953 Comp., § 15-44-4; Laws 2001, ch. 147, § 2.

### **Canceled Checks and Warrants Register**

The treasurer is required to cancel any unpaid checks or warrants issued after one year. A register of canceled checks and warrants is required to be kept showing the number, date, amount, to whom payable, fund payable out of, and date of cancellation.

### **Treasurer's Financial Report**

This report is compiled at the close of each month and covers fiscal year information. The report includes such information as fund information by section, record of investments, bank reconciliation information, bonded debt information, detail of receipts, tax distribution information (by fund and section), tax schedule maintenance (10 years), and taxes collected by school district by year. Copies of the report are sent to DFA, county commissioners, county manager, county clerk, county finance officer, and others as may be required by established county policy.

### **Public School District's Financial Statement**

This report may be prepared by the treasurer if he/she is also the fiscal agent for any school district. The report contains current month activity and includes fund information by school

district, detail of receipts by school district, bonded debt information, and investment information. Copies of reports are sent to DFA, each school district, public school finance board, and other as required.

**Budget.** Although the treasurer is not individually responsible for the preparation of the county budget, he may issue monthly reports showing the actual operating results compared to the budgeted amounts. In some larger counties, this may be done by a Finance Department.

## **APPENDICES**

**Appendix A: Salary Schedule and Classification of NM Counties**

COUNTY	Total Values	Population	Classification		Commissioner	Treasurer	Assessor	Sheriff	Clerk	Probate Judge	Surveyor
			Current	4/30/2008							
<i>Bernalillo</i>	13,191,112,434	556,678	A	A	\$29,569	\$65,501	\$65,501	\$68,308	\$65,501	\$28,820	\$22,358
<i>Catron</i>	98,581,702	3,543	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	To be determined by County Board (TBDC)
<i>Chaves</i>	891,071,384	61,382	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Cibola</i>	243,058,253	25,595	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Colfax</i>	615,540,192	14,189	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Curry</i>	546,875,579	45,044	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>De Baca</i>	46,555,626	2,240	1-OVER	C	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Dona Ana</i>	3,130,955,877	174,682	A	A	\$29,569	\$65,501	\$65,501	\$68,308	\$65,501	\$28,820	\$22,358
<i>Eddy</i>	2,555,746,565	51,658	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Grant</i>	617,831,033	31,002	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Guadalupe</i>	96,464,123	4,680	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Harding</i>	46,335,010	810	1-OVER	C	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Hidalgo</i>	134,516,030	5,932	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Lea</i>	2,697,271,627	55,511	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Lincoln</i>	825,268,140	19,411	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Los Alamos</i>	727,027,890	18,343	H	H	\$1	\$1	\$1	\$1	\$1	\$1	\$10/day 50 day max/year
<i>Luna</i>	435,221,357	25,016	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)

<i>McKinley</i>	681,761,554	74,798	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Mora</i>	82,016,826	5,180	C	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Otero</i>	781,144,958	62,298	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Quay</i>	136,830,119	10,155	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Rio Arriba</i>	1,831,642,931	41,190	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Roosevelt</i>	268,011,411	18,018	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Sandoval</i>	2,933,262,077	89,908	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>San Juan</i>	4,263,202,644	113,801	A	A	\$29,569	\$65,501	\$65,501	\$68,308	\$65,501	\$28,820	\$22,358
<i>San Miguel</i>	436,677,501	30,126	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Santa Fe</i>	6,074,890,747	129,292	A	A	\$29,569	\$65,501	\$65,501	\$68,308	\$65,501	\$28,820	\$22,358
<i>Sierra</i>	221,965,629	13,270	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Socorro</i>	207,814,162	18,078	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Taos</i>	1,069,743,094	29,979	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699	\$57,265	\$20,024	(TBDC)
<i>Torrance</i>	270,415,026	16,911	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Union</i>	124,201,927	4,174	B-UNDER	B-UNDER	\$16,282	\$49,031	\$49,031	\$51,277	\$49,031	\$11,416	(TBDC)
<i>Valencia</i>	978,502,499	66,152	B-OVER	B-OVER	\$22,832	\$57,265	\$57,265	\$59,699		\$20,024	(TBDC)
<b>TOTAL</b>	<b>47,261,515,927</b>										

*Per Attorney General Opinion 50, 1937-1938, when classification has been fixed, a reduction of assessment does not change such classification.*

Counties will be reclassified April 2010

**NOTES:**

- Residential and Non-Residential Values obtained from 2007 Final Valuations
- Oil & Gas Production and Equipment and Copper Production obtained from TRD for calendar year 2007
- County population obtained from UNM – Bureau of Business and Economic Research website: Census 2000 data.

**Appendix B – List of Statutory Changes relating to N.M. County Treasurers for 2001 through 2008**

	Notes re: 2001 Statutory Changes
4-43-2	Duties of County Treasurer
4-44-1	Classification for Salary Purposes
4-39-5	Additional compensation to appraisers
4-44-4	Class A Counties; Salaries
4-44-4.1	Class B (over \$300m) Counties; Salaries
4-44-5	Class B (under \$300m) Counties; Salaries
4-44-6	Class C Counties; Salaries
4-44-7	First Class (over \$27m) Counties; Salaries
4-44-8	First Class (under \$27m) Counties; Salaries
4-45-4	County Orders for Payment from Treasury; Form and Signature
5-11-2	Public Improvement District Act-Definitions
5-11-3	Resolution Declaring Intention to form Public Improvement District
5-11-6	Order forming District; Election
5-11-23	District Taxes; annual Financial Estimate; Annual Financial Estimate and Budget; Certification to Local Government Division of DFA
6-10-10.1	Short Term Investment Fund Created; Distribution of Earnings; Report of Investments;
7-1-3	Definitions in the Tax Administration Act
7-20E-20	County Education Gross Receipts Tax; Authority
7-38-38.1	Recipients of Revenue Produced through Ad Valorem Levies
22-11-13	

	Investment of the Fund; Indemnification of the Board
34-9-16	New Mexico Finance Authority Revenue Bonds
	Notes re: 2002 Statutory Changes
	There were no pertinent changes as of 2002
	Notes re: 2003 Statutory Changes
4-44-1 et seq.	Salary changes authorized in 2002, and noted above, became effective January 1, 2003. This increase may not be implemented for any county elected official, mid-term; rather, officials assuming office after election or re-election in 2003 are eligible for these increased salary amounts, provided that their board of county commissioners has also approved the new maximum salary provided by statute.
2003 HB 164a 2003 ALS 188 §6-15-9	Extended the time limit from three to four years for the issuance of General Obligation bonds, and for county bonds issued for refunding bond debt or for payment of judgments.
2003 HB 419aa 2003 ALS 221 §3-32-6.1	Regarding the issuance of Industrial Revenue Bonds (“IRB”)-requires municipalities to give at least 30 days notice to counties (to the BOCC and to the Assessor) that they are considering the issuance of IRB’s, so the county can communicate any concerns it may have at the public hearing on same. Also, requires municipalities to notify the counties (BOCC and assessor) when an IRB has matured, is expired or has been replaced. Also, requires counties and municipalities to jointly develop criteria for the issuance of IRB’s.
2003 SB 44a 2003 ALS 98 §4-62-1	Counties may issue revenue bonds pledging the county’s PILOT’s (Payments in Lieu of Taxes) anticipated to be received from the federal government, to repay certain loans from the N.M. Finance Authority.
	Notes re: 2004 Statutory Changes
2004 SB 88aaa 2004 ALS 110 §7-20E-3	Expands county gross receipts tax authority to include a new 1/16th (.0625%) for general purposes, and removes the sunsets on the county fire excise tax, the county emergency communication and emergency medical and county correctional facilities’ gross receipts taxes.
2004SB 23 2004 ALS 69 §7-9-3.2	Expands definition of governmental gross receipts to cover receipts of governments from renting of parking, docking or tie-down spaces or granting permission to park vehicles, tie-down aircraft or dock boats.

	Notes re: 2007 & 2008 Statutory Changes (There were no significant statutory changes for Treasurers in 2005 & 2006)
60-14-14 (2007)	Gives Manufactured Housing Division authority to investigate violations of the Act and of specified persons.
6-10-36 (2007)	Interest-bearing deposits must be available to all commercial banks and savings banks that meet certain criteria
6-10-10 & 6-10-10.1 (2008)	Broadens participation in Local Government Investment Fund
7-38-37 & 7-38-38.3 (2008)	Allows optional prepayment of property taxes in monthly payments in Class A Counties, beginning after January 1, 2009

Appendix C – County Treasurer Calendar of Events

Date	Activity or Subject	Legal Authority
Oct. 1	Treasurer should receive property tax schedule from assessor	§7-38-36(A)
By Nov. 1	Treasurer to prepare and mail property tax bills	§7-38-36 (B)
Nov. 10	Payment of first half (installment) of annual property tax bills are due	§7-38-8(A)
once a week for 3 weeks leading up to Dec 11	Treasurer must publish notice of delinquency date in newspaper of general circulation within county	§7-38-46(D)
Dec. 11	First installment property tax not paid becomes delinquent (unless protest pending on taxes not paid)	§7-38-46(D)
Jan. 1	The date from which the lien against the real property runs, when property taxes are unpaid	§7-38-48
Jan. 1-21	County assessors shall publish the uniform, state-approved notice required by this statute in a newspaper of general circulation within the county once each week for three weeks in January of each tax year.	§7-38-18
periodic	Prior to distribution to a recipient of revenue received by a county treasurer, the treasurer shall deduct as an administrative charge an amount equal to 1% of the revenues collected (and then deposit to the county property valuation fund).	§7-38-38.1(B) and (C)
Jan. 9	Claims for refunds must be filed no later than the sixtieth (60 <sup>th</sup> ) day after the first installment of property tax is due	§7-38-40(A)(1)
April 10 of year following the year for which the tax is being collected	The second installment of annual property tax bills are due	§7-38-38(A)
Once a week for 3 weeks leading up to May 11	Treasurer must publish notice of delinquency date in newspaper of general circulation within county	§7-38-46(D)
May 11 of year following the year for which the tax is being collected	Second installment of property taxes not paid become delinquent	§7-38-46(A)

Date	Activity or Subject	Legal Authority
June 10 Of Each Year	Treasurer Must Mail Notice To Each Property Owner For Which Taxes Have Been Delinquent For Two (2) Years (Form Of Notice Listed In Statute)	§7-38-52(A)
by June 30 of each year	Treasurer must mail a notice of delinquency to owners of property (and others with interest- <i>See</i> statute) with respect to any tax that is delinquent for more than 30 days as of June 10 of each year.	§7-38-51
by July 1	Treasurer shall prepare and submit to the State a property tax delinquency list of all property for which property taxes have been delinquent for more than two (2) years. He shall record same in the county clerk's Office. The Treasure shall note on the property tax schedule that the account has been transferred to the State for collection.	§7-38-61
No later than August 15	The State Dept. of Public Education submits to DFA the property tax rates for each school district	§7-37-8
No later than Sept. 1	DFA sets property tax rates	§7-38-33
Early September-varies	Within five (5) days of a county's receipt of DFA's written property-tax setting order, each board of county Commissioner shall issue its written order imposing such tax, and deliver same to the assessor immediately after entry.	§7-38-34
NOTE	The county treasurer's and county budget reports should be mailed to the Local Government Division of DFA no later than the tenth (10 <sup>th</sup> ) of the following month. The 'Public School District's treasurer's Financial Statement' should be submitted monthly with the treasurer's Report. A copy of the school report should also be mailed to the Public School Finance Division and to the individual school districts.	
NOTE	Property tax remittance should be submitted to the State treasurer on a monthly basis. Remittance should also be made to municipalities, school districts and other entities monthly. ( <i>See</i> also §7-38-38.1)	

**APPENDIX D:**

County Gross Receipts Tax (Grt): Local Option Increments: Description and Imposition, by County: As of July 1, 2008

<b>NAME OF TAX AND INCREMENTS AUTHORIZED</b> Unless otherwise noted, all increments are imposed countywide	<b>STATUTES AND COUNTIES IMPOSING TAX</b>
<b>COUNTY GROSS RECEIPTS TAX</b>	<b>7-20E-9 through 7-20E-11</b>
First 1/8 cent (general purpose and/or county road fund)	All counties
Second 1/8 cent (county indigent patients)	All but Catron, Harding, & Socorro
Third 1/8 cent (general purpose)	24 counties
Fourth 1/16 cent (general purpose)	20 counties
<b>COUNTY INFRASTRUCTURE GROSS RECEIPTS TAX</b> General purposes, waste/wastewater facilities, jails, economic development, etc.	<b>(7-20E-19)</b>
First 1/16 cent	10 counties
Second 1/16 cent	10 counties
<b>COUNTY CAPITAL OUTLAY GROSS RECEIPTS TAX</b> Building & infrastructure projects, payment of revenue bonds for infrastructure; requires imposition of all county general and county infrastructure GRT.	<b>(7-20E-21)</b>
First 1/16 cent	6 counties
Second 1/16 cent	6 counties
Third 1/16 cent	6 counties
Fourth 1/16 cent	6 counties
<b>EMERGENCY COMMUNICATIONS &amp; EMERGENCY MEDICAL &amp; BEHAVIORAL HEALTH SERVICES GROSS RECEIPTS TAX</b> Eligibility contingent on having emergency communications center and/or behavioral health services facility. May be imposed countywide <u>or</u> outside incorporated areas only.	<b>(7-20E-22)</b>
First 1/16 cent	9 counties
Second 1/16 cent	9 counties
Third 1/16 <sup>th</sup> cent	7 counties
Fourth 1/16 <sup>th</sup> cent	6 counties
<b>COUNTY EDUCATION GROSS RECEIPTS TAX</b> For payment of county education GRT bonds for public school capital projects & off-campus program capital projects. Only Taos county authorized	<b>(7-20E-20)</b>
One 1/2 cent increment	Taos
<b>COUNTY HEALTHCARE GROSS RECEIPTS TAX</b> Must be dedicated to the state's County-Supported Medicaid Fund	<b>(7-20E-18)</b>
First 1/16 <sup>th</sup> cent	15 counties
Second 1/16 <sup>th</sup> cent (available only to counties w/ populations over 500,000)	Bernalillo
<b>LOCAL HOSPITAL GROSS RECEIPTS TAX</b>	<b>(7-20C-1 through 7-20C-17)</b>

First, second, third, and fourth 1/8 cent increments	Roosevelt and Cibola
1/8 cent for acquiring, renovating, equipping county hospital facility building or county 24 hour urgent care or emergency facility, or for operation & maintenance. Authorized for Colfax, Hidalgo, Lincoln, Luna, Valencia.	No counties have imposed
Four 1/8 cent increments to pay principal & interest on revenue bonds for acquisition of land or buildings for hospital or healthcare facilities. Authorized for Sierra, Torrance, Los Alamos, San Juan, Union and Quay counties.	See list below.
First 1/8 cent	Cibola, Quay, Roosevelt, San Juan, Union
Second 1/8 cent	Cibola, Quay, Roosevelt, Union
Third 1/8 cent	Cibola, Quay, Roosevelt
Fourth 1/8 cent	Cibola, Quay, Roosevelt

<b>COUNTY HOSPITAL EMERGENCY GROSS RECEIPTS TAX</b> To repay bonds or loans for acquiring, equipping, remodeling, or improving county hospital or health facilities.	<b>(7-20E-12.1)</b>
1/4 cent increment	Hidalgo and Sierra

<b>SPECIAL COUNTY HOSPITAL GROSS RECEIPTS TAX</b> For operations & maintenance of hospital care of sick & indigent persons (Quay) & county ambulance transport or rural health clinic costs (Luna).	<b>(7-20E-13 &amp; 7-20E-14)</b>
1/8 cent increment	Quay and Luna

<b>COUNTY CORRECTIONAL FACILITY GROSS RECEIPTS TAX</b> Originally for purchasing & constructing jails; expanded to include operating, and transportation of prisoners.	<b>(7-20F-1 through 7-20F-12)</b>
First 1/16 cent	25 counties
Second 1/16 cent	24 counties

<b>COUNTY ENVIRONMENTAL SERVICES GROSS RECEIPTS TAX</b> For acquiring, constructing, operating, & maintaining solid waste, water, wastewater, sewer & other systems. Imposed <u>only</u> on businesses outside incorporated municipalities.	<b>(7-20E-17)</b>
First 1/8 cent	28 counties

<b>COUNTY FIRE PROTECTION SERVICES GROSS RECEIPTS TAX</b> For operational expenses (no salaries), ambulance services, capital outlay costs of independent fire districts or county ambulance services. Imposed <u>only</u> on businesses outside incorporated municipalities.	<b>(7-20E-15 &amp; 7-20E-16)</b>
Can be either 1/8 or 1/4 cent. All imposing counties have enacted 1/4 cent	20 counties

<b>COUNTY REGIONAL TRANSIT GROSS RECEIPTS TAX</b> For purposes authorized in the Regional Transit District Act. County must be member of a regional transit district; all counties in district must elect to enact.	<b>(7-20E-23)</b>
Four 1/16 cent increments	No counties
<b>COUNTY QUALITY OF LIFE GROSS RECEIPTS TAX</b>	<b>(7-20E-24)</b>
Four 1/16 cent increments	No counties

<b>COUNTY REGIONAL SPACEPORT GROSS RECEIPTS TAX</b> Must be member of a regional spaceport district & must impose tax by 12/31/08.	<b>(7-20E-25)</b>
Four 1/16 cent increments	Dona Ana & Sierra have enacted; Otero votes in November, 2008.

<b>COUNTY WATER &amp; SANITATION GROSS RECEIPTS TAX</b> For operation of water and sanitation districts.	<b>(7-20E-26)</b>
One 1/4 cent increment	No counties

*Data Source: New Mexico Department of Taxation & Revenue County Gross Receipts Tax Local Options, revised June 2008  
Enactment Dates of Local Option Taxes, as of July 1, 2008*

APPENDIX E: Actual, Imposed and Remaining Property Tax Operating Rates by County 2006 Tax Year

County	Rate Imposed	Remaining Authority*	Residential Actual Operating Rates**	Nonresidential Actual Operating Rates**	Potential Revenue***
Bernalillo	10.900	0.950	6.363	10.900	11,129,763
Catron	10.850	1.000	10.850	8.096	87,454
Chaves	10.350	1.500	6.989	10.350	1,257,743
Cibola	11.850	0.000	7.485	11.850	0
Colfax	10.350	1.500	6.125	10.106	812,134
Curry	9.850	2.000	9.850	9.850	980,018
De Baca	11.850	0.000	11.850	11.199	0
Dona Ana	11.850	0.000	7.833	11.850	0
Eddy	7.500	4.350	6.623	7.500	11,206,792
Grant	11.850	0.000	6.254	11.833	0
Guadalupe	11.850	0.000	7.785	11.850	0
Harding	10.850	1.000	8.109	10.850	33,904
Hidalgo	11.850	0.000	11.850	11.850	0
Lea	10.600	1.250	8.785	10.600	3,143,514
Lincoln	11.600	0.250	7.548	11.600	1,800,484
Los Alamos	8.850	3.000	4.370	7.261	2,064,909
Luna	11.850	0.000	8.411	11.445	0
McKinley	11.850	0.000	5.259	11.850	0
Mora	11.850	0.000	6.532	11.850	0
Otero	11.850	0.000	7.311	11.850	0
Onay	11.850	0.000	7.144	11.850	0
Rio Arriba	11.850	0.000	4.339	9.647	0
Roosevelt	8.850	3.000	10.613	10.850	250,885
San Juan	8.500	3.350	6.737	8.500	14,445,244
San Miguel	11.850	0.000	5.436	11.850	0
Sandoval	10.350	1.500	5.271	9.127	3,131,446
Santa Fe	11.850	0.000	4.450	10.238	0
Sierra	11.850	0.000	8.834	11.850	0
Socorro	11.850	0.000	7.731	10.935	0
Taos	11.850	0.000	5.042	10.498	0
Torrance	11.850	0.000	11.850	11.850	0
Union	9.150	2.700	7.096	9.150	300,880
Valencia	11.850	0.000	6.199	11.850	0
TOTAL					49,025,172

\*11.85 mill maximum allowed by statute less the imposed rate.

\*\*imposed rate after application of the yield control limitation required by statute.

\*\*\*remaining rate authority multiplied by total net taxable value.