Money Matters
Analysis by the LFC Economists
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

Property Taxes in New Mexico

THIS REPORT provides an overview of New Mexico property taxes, including how New Mexico compares to other states, the trends over time, and a discussion of how the property tax structure can better promote fairness and equity in the tax code.

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Property taxes are one of the three major taxes on New Mexicans, along with gross receipts taxes and personal income taxes. Property taxes almost entirely flow to local governments, and therefore, the state and the Legislature largely treat property tax policy as a local issue and have made no meaningful changes to the property tax code in nearly 25 years. However, the state has become an outlier on the national level, with some rankings identifying New Mexico as the lowest property tax state in the country.[1] Furthermore, property taxes are also found to play a significant role in business decision making.[2] This report evaluates the current state of the New Mexico property tax, reviews its impact on New Mexicans and local budgets, and identifies opportunities for improving development, equity, fairness, and fiscal responsibility.

Current Structure and Trends in Property Taxation

Property taxes generated approximately $2.1 billion in revenues statewide in 2021.[3] Of those revenues, 30 percent went to county governments, 14 percent to municipal governments, 33 percent to school districts, 10 percent to higher education, and the remaining 13 percent to hospitals and state debt service. Approximately 91 percent and 65 percent of property tax revenues flowing to counties and municipalities, respectively, fund ongoing operations; the remaining 9 percent and 35 percent is to pay debt service and other obligations. A very small portion of school district revenues, approximately 3.7 percent, fund operations. The remaining school district revenues pay for capital construction and maintenance projects. In 2023, total property tax revenues grew to $3.3 billion, a whopping 60 percent growth over 2021.[4]

Local governments and school districts have the authority to impose mills (see definition of mills in the sidebar) for operational uses up to constitutional limits, which causes the operational property tax rate to vary across the state. Almost 95 percent of county mill levies for operations are imposed, while only 64.9 percent of all municipality mill levies for operations are imposed. The lower municipality uptake is probably due to their significant reliance on gross receipts or ad valorem production taxes instead of property taxes to fund operations (see Appendix B). Total operational levies are constitutionally limited to 20 mills.

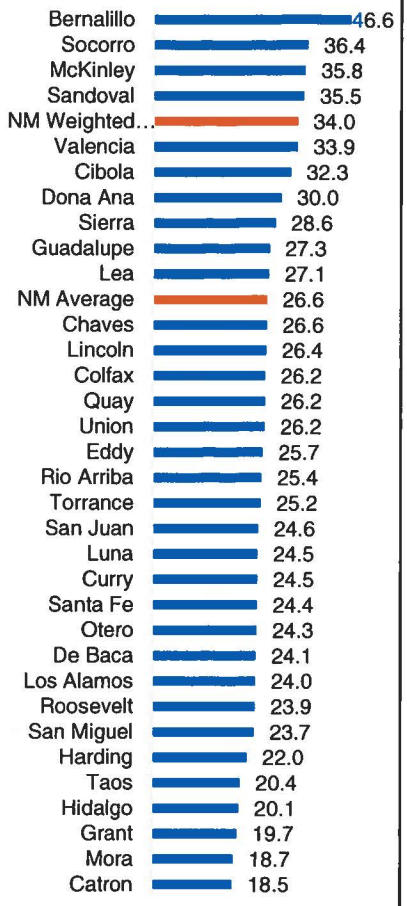
In addition to the mill levies for operations, local governments and school districts can levy mills for debt and special projects. Debt and special mills must be approved by the voters in the proposed tax district and are usually temporary tax increases to pay for special projects not funded through the state capital outlay process. Debt and special mills are uncapped and are not subject

What are Mills?

New Mexico property taxes are levied using mill rates. A mill rate represents the amount of tax owed per every $1,000 of a property's assessed value. The four principal recipients of property tax revenue, the state, counties, municipalities, and school districts, can levy property taxes both for operations and for debt or special projects. Since 1933, the New Mexico Constitution has limited the combined operating levies that can be taxed for maintaining operating budgets at 20 mills. The state stopped levying its own operating rate in 1980. Since 1986, the statutory split of allowed property taxes for operating uses has been 11.85 mills for counties, 7.65 mills for municipalities, and 0.50 mills for school districts.

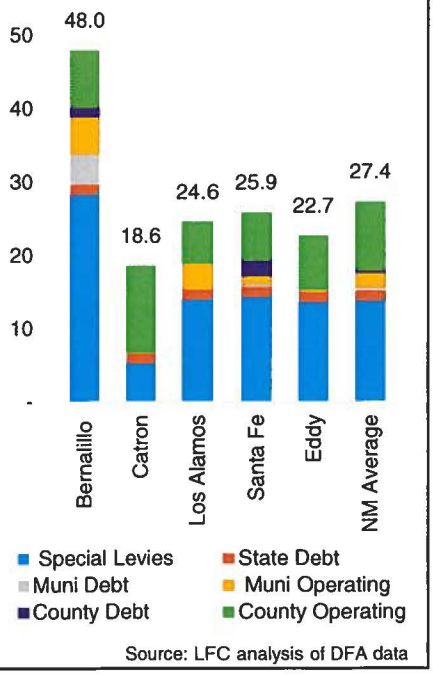
[1] Tax Foundation, *2024 State Business Tax Climate Index*
[2] Bartik, Timothy J. "Business Location Decisions in the United States: Estimates of the Effects of Unionization, Taxes, and Other Characteristics of States," Journal of Business and Economics Statistics 3:1 (January 1985): 14-22.
[3] Department of Finance and Administration, *2021 Property Tax Facts*
[4] LFC analysis of 2023 county property tax certificates

Weighted Average Residential Mill Rate, 2023



Source: LFC analysis of DFA data

Property Tax Mills by Use, Select Counties, 2023



Source: LFC analysis of DFA data

to yield control (see discussion on yield control below). Because of the overlay of special districts and debt service boundaries atop county, city, and school tax districts, a complex web of 240 distinct property tax districts divide the state. Each district has a different tax rate ranging from 55.8 mills in Albuquerque to 10.8 mills in a rural tax district in Chavez County.[5] The state has levied 1.36 mills for debt (general obligation bonds) since at least 2012.

The ratio of mills for debt and special projects to mills for operations varies across tax districts. These non-general mills can have drastic implications for New Mexican's tax bill. For example, a tax district in Albuquerque imposes 30.1 debt and special mills compared to 8.4 operating mills, more than quadrupling the property taxes of their residents. Some mills are proposed as having "no tax increase" as they are designed to utilize the mill capacity from prior approved debt as the debt is paid off for a new project. However, if not approved for certain local projects, taxpayers would see a tax rate decrease. On average across counties in 2023, 50.5 percent of tax levied was for special levies, 41.9 percent for operating budgets, 2.6 percent for local government debt service, and 5 percent for state debt service.

Types of Property Taxes and the Tax Base

New Mexico imposes a property tax on three types of assets: residential property, nonresidential property, and some capital equipment and livestock. Properties producing oil or natural gas are taxed under the Oil and Gas Ad Valorem Production and Equipment Taxes, typically reported with property taxes as a tax in lieu of property tax. In 2023, residential property made up over 42 percent of the statewide property tax base, measured as taxable value, with nonresidential properties comprising 21 percent and the remaining 37 percent belonging to ad valorem production and equipment primarily on oil and gas properties.

Property Type	Assessed Value of Property Type (in billions)	Percentage of Property Tax Base
Residential	$46.2	42%
Nonresidential	$23.8	21%
Ad Valorem Production and Equipment on Oil and Gas	$40.9	37%

The property tax base has shifted and grown dramatically in the last five years because oil and gas production ballooned in the Permian Basin. Total taxable values have grown 122 percent in the last 15 years, more than doubling the tax base. While historically volatile, ad valorem taxes ranged from 8 percent to 15 percent of statewide property values from 1986 to 2018. Since 2018, ad valorem values have grown 526 percent. Like direct oil and gas taxes, ad valorem taxes inject volatility into property tax revenue for local governments and state general obligation bonds.

Thirteen counties benefit from oil and gas ad valorem taxes. Eddy and Lea counties experienced a massive boom in net taxable values and revenues in 2022 and 2023. Currently, oil and gas properties make up 78 percent of taxable value in Eddy County and 87 percent in Lea County. Rio Arriba's reliance on ad valorem properties is 45 percent, Harding's is 26 precent, San Juan's is 28

[5] LFC analysis of DFA property tax data

percent, and all other counties' reliance is below 10 percent (see appendix A). Since 2018, all oil and gas counties' net taxable value has grown 188 percent while the value outside those counties has grown only 28 percent, on average. This growth gap between oil- and gas-producing and nonproducing counties will likely continue to widen due to yield control, which does not apply to ad valorem taxes and will be further discussed below.

The split of aggregate property values between residential and nonresidential properties has also significantly changed over time, shifting the tax burden to homeowners instead of industry. Prior to 1987, nonresidential properties were more than half the property tax base in the state, excluding oil and gas ad valorem properties. Around 1987, residential property values took over a greater share than nonresidential properties, and the share relative to nonresidential values continues to grow. In 2023, residential property constituted 66 percent of non-oil and gas property tax values in the state. This is partially due to faster growth in the residential market, especially following the pandemic, than the commercial one. The problem is further exacerbated by chronic undervaluation of commercial properties.

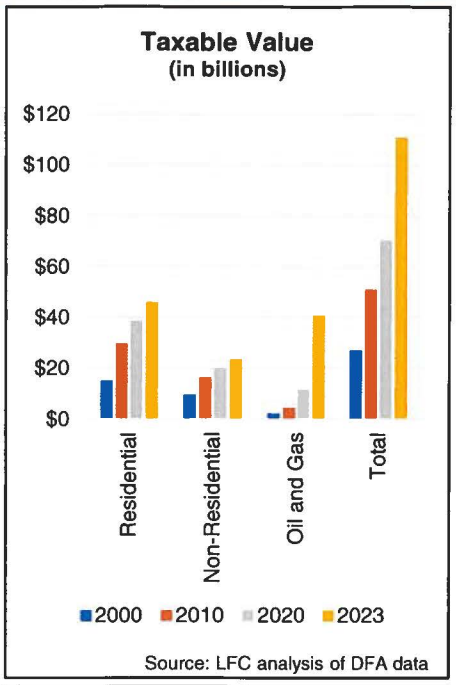
County assessors face challenges in accurately assessing the value of nonresidential properties. Unlike residential properties, nonresidential properties are not required to submit a property transfer declaration affidavit disclosing sales prices to the assessor's office. This requirement, known as partial disclosure, aids assessors in determining the current market value for residential properties. Additionally, noncommercial properties are often valued based on income generation rather than the land and built structures, as is the case with residential properties. This information is also unknown to assessors, leading to weak growth in the valuation of the nonresidential sector and a shift in tax burden to homeowners.

Growth Controls

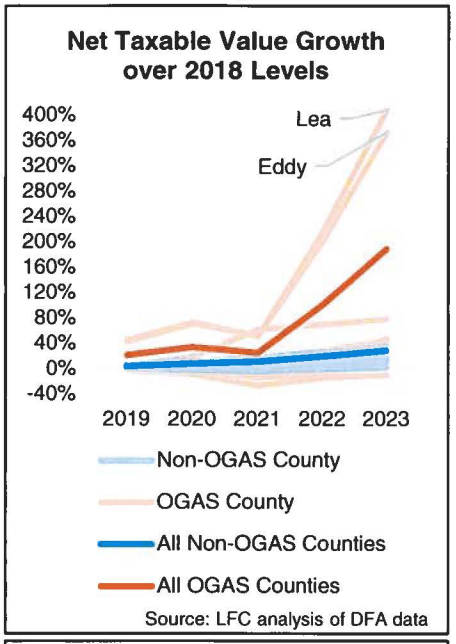
Nationally, states use a combination of three methods to limit the runaway growth of property taxes: a mill limit, an assessment limit, and a levy (or revenue) limit known as yield control. Each limitation targets a different component of property tax: mill limits cap tax rate able to be imposed, assessment limits reduce the taxable value of property, and yield controls limit the revenue collected. New Mexico is one of only nine states that impose all three types of limitations.[6]

The mill limit is straightforward. As discussed earlier, the constitution limits operational mills across governments at 20 mills: 11.85 mills for counties, 7.65 mills for municipalities, and 0.50 mills for school districts. While this mill limit is helpful in keeping property taxes for operating purposes below 2 percent of property value, it does nothing to curb runaway debt and special mill levies. Thirty-six states have some form of rate limit.

The assessment limit in New Mexico only applies to residential properties and restricts increases in the taxable valuation of a property. In New Mexico, taxable value is one-third of the assessed value of the property. The assessed value is limited to 3 percent greater than the assessed value in the prior year. Simply put, the taxable value of a residential property cannot grow by more than 3 percent each year. This limitation on increases in value does not apply



Source: LFC analysis of DFA data



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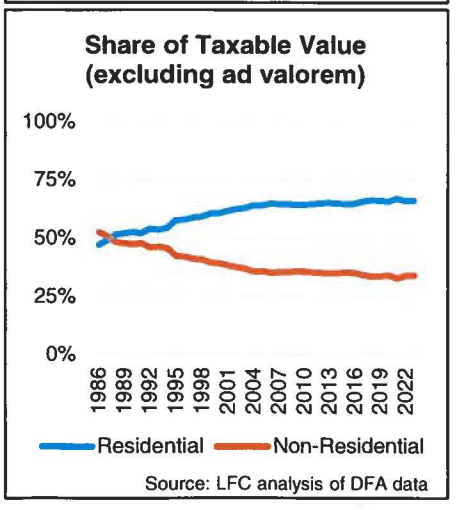
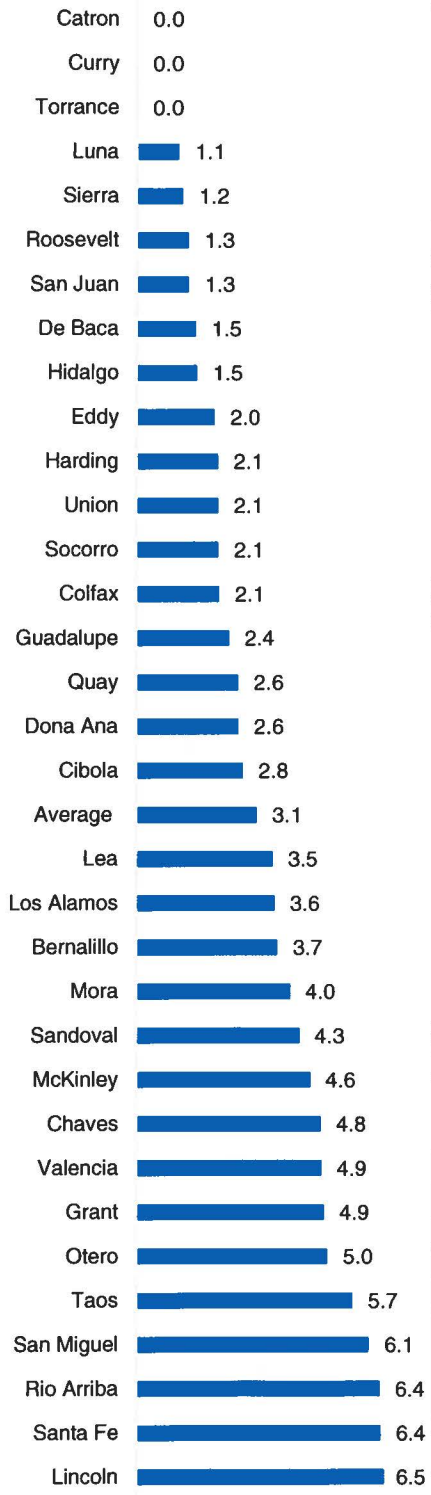


Source: LFC analysis of DFA data

[6] Lincoln Institute, *Significant Features of the Property Tax, 2024*

Difference Between Imposed and Residential Yield-Controlled Mills, 2023



Source: LFC analysis of DFA data

to any physical improvements made to the property that increase value, except solar energy system installations. When a home is sold, the valuation is reset to market value. The valuation can also be reset to market value when the use or zoning of the property changes.

Finally, the state also makes use of a revenue collection growth cap, known as yield control, which limits growth in the revenue that governments can collect in residential and nonresidential property taxes for operations. Annual growth in property tax revenues is limited to match inflation of local government expenditure, not to exceed 5 percent, plus the percentage increase in property value attributable to new construction and improvements to existing property. In times of high inflation or high property value growth, yield control prevents the collection of mills, even those mills allowed constitutionally, if those mills would exceed the yield-controlled revenue amounts.

While local governing bodies determine the imposed mill rates, in practice, the Department of Finance and Administration ultimately sets the mill rates for each city and county by calculating how much each locality can grow revenues given the new taxable value in that district. When the increase in districtwide taxable values is greater than the inflation factor, the mill rate must be reduced to keep revenue growth at the inflation factor, regardless of the tax rate the governing body has imposed. If taxable values grow slower than the inflation factor, mill rates enacted can increase to make up revenue up to the inflation factor. Typically, because property values usually have higher growth than overall government spending inflation, this mechanism results in DFA lowering the mill rates to keep revenues at the growth factor in the face of an increasing tax base. Importantly, yield control has limited the effective mill rate local governments can levy on properties. Therefore, even if a local government has imposed all their allowable mills, they often are limited below those rates by yield control.

Yield control is calculated separately for residential and nonresidential properties, which results in different effective tax rates for each property type. Because yield control has had a greater impact on residential rates than nonresidential rates given the faster and greater growth of taxable values of residential properties, nonresidential operating rates are almost always higher than their residential counterparts, despite total collections from commercial properties falling behind.

New Mexico Compared with Other States

New Mexico's property taxes rank among the lowest in the country across many measures. According to the most recent data, New Mexico's average property tax rate is the 34th highest in the nation at 0.8 percent, compared to 1.1 percent nationally.[7] Per capita property taxes paid and median taxes paid are some of the lowest in the nation at $936 and $1,470, respectively. Taxpayers' property tax burden, measured as the property tax share of personal income, is in the lowest 10 states in the country at 1.8 percent, compared to 2.9 percent nationwide.

[7] Lincoln Institute, *Significant Features of the Property Tax, 2024*

State and local governments in New Mexico rely less on property taxes than most other states, representing only 6.5 percent of general revenue. New Mexico's comparatively lower use of the property tax has resulted in state and local governments depending proportionally more on the volatile gross receipts tax (GRT). In New Mexico 31.7 percent of land is federal land and, therefore, untaxable.[8] The centralized school finance system also contributes to New Mexico's reliance on the GRT when compared with other states. Nationwide, only Alabama collects a lower share of government general revenue from property taxes than New Mexico. Local governments, excluding the state, get about 18.9 percent of their revenue from property taxes, much less than the national average of 30.1 percent.

Selected New Mexico Property Tax Statistics, 2021

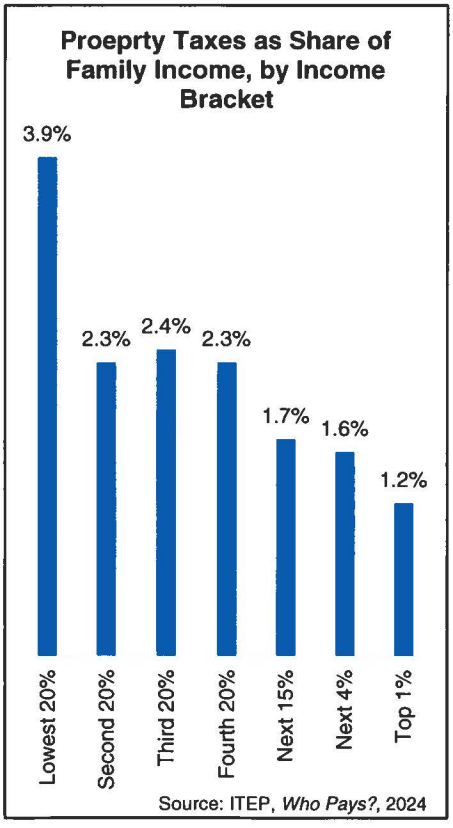
	NM	U.S. Avg.	Rank (1 is highest)
Per capita property tax	$936	$1,898	47
Property tax as % of income	2.0%	3.1%	44
Property tax as % of state-local income	6.5%	15.5%	50
Median real estate taxes paid for owner-occupied homes	$1,470	$2,690	40
Effective tax rate, median owner-occupied home	0.8%	1.1%	34

Source: US Census via Lincoln Institute Significant Features of the Property Tax

Progressivity

While property taxes are relatively low in New Mexico, taxpayers within the state pay differing rates relative to their income, a measure of the tax's progressivity. Overall, the property tax in New Mexico is regressive, although far less regressive than the GRT and most excise taxes.

For average families, a home represents the largest share of their total wealth and is subject to the property tax. At high income levels, however, homes are often only a small share of total wealth, which may consist more heavily of stock portfolios, business interests, and other assets that are not subject to property taxes in New Mexico, although may be taxed in other forms. Because of this, New Mexican's property tax liability as a share of income falls as incomes rise.



Analysis by the Institute for Taxation and Economic Policy (ITEP) shows the poorest 20 percent of people in New Mexico pay about 3.9 percent of their income in property taxes, while the wealthiest New Mexicans pay around 1.2 percent of income in property taxes.[9] While some of the state's property tax relief programs target low-income families, many have additional requirements like disability, age, and veteran status to utilize the benefit. This creates a horizontal inequality where two taxpayers of the same income and even the same home value often have different tax liabilities because of other qualifications.

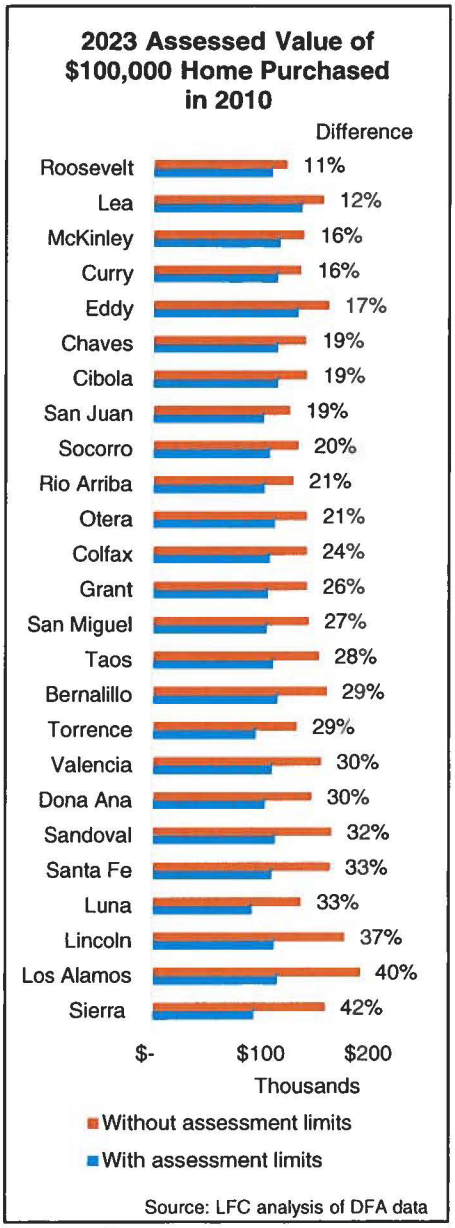
Implications of State Policies

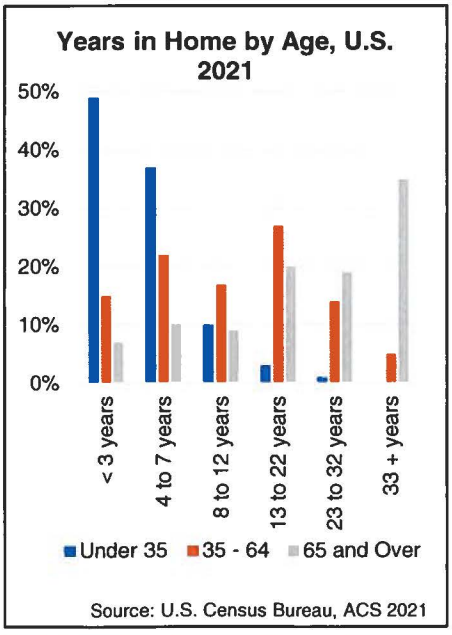
Assessment Limits

Growth controls intend to limit property taxes from becoming overly burdensome to New Mexicans. However, New Mexico is one of only nine states that implement all three growth controls, with unintended results.

Assessment limits have the unintended result of creating inequity in property valuations based solely on length of ownership with no consideration of occupancy status, income, or ability to pay. First-time homebuyers and young homeowners tend to have more churn as they purchase starter homes and upgrade or move to new locations a few years later, resetting their property valuation to the current and correct value. Established homeowners staying in their homes longer and landlords who own long-term investment properties

[8] Congressional Research Service, "Federal Land Ownership and Data", 2020
[9] Institute of Taxation and Economic Policy, *Who Pays, 2024*





reap the benefit of the 3 percent assessment limit year after year, as property values have grown faster than three percent.

Additionally, higher-priced homes in higher-priced neighborhoods tend to appreciate more rapidly, year-over-year, than lower-priced homes. As a result, assessment limits shift the distribution of property taxes away from faster appreciating homes and longer duration owners to lower appreciating and shorter-term homeowners, who are typically lower-income residents.

Assessment limits can also lead to the "lock-in effect" when homeowners with depressed property taxes are trapped in their current home because of the increase in property taxes should they move, even to downsize. This can lead to fewer homes on the market, driving up home costs and contributing to a lack of affordable housing. When assessment limits were put into place in 2000, the median duration of homeownership was six years. Since then, it has more than doubled to 13 years.

As an illustration of assessment limits, consider two neighbors with identical homes and identical values of $385 thousand, the median home value in New Mexico. Both neighbors have the same income, but one neighbor purchased their home in 2000 at the median price of $108.1 thousand and the other purchased it this year. Despite the homes now being equal in market value, the longer-term homeowner's home value is assessed at only $213.3 thousand, 45 percent lower than their identical neighbor. At the statewide average property tax rate of 34 mills, the short-term neighbor will pay $1,946 more in taxes this year.

Statewide, an average-tenured homeowner of 13 years has a 25 percent reduction in assessed home value compared to a new homeowner. This impact varies across counties, with assessment limits in Sierra County resulting in a 42 percent impact for the average-tenured resident and an 11 percent average impact in Roosevelt County.

Yield Control

Yield control also has some adverse effects. Over time, and especially after periods of rapid housing market growth, yield control suppresses mill rates and hinders local revenue growth and inhibits the ability of local governments to keep up with increasing costs. Yield control, imposed by state law, removes the taxing authority given to local governments because the imposition of mill rates becomes meaningless and is overruled by yield control. Two-thirds of counties have imposed all 11.85 mills; however, only Catron, Curry, and Torrance County are able to collect tax at that mill rate. For municipalities, 73 local governments have remaining mill rate capacity with only 33 municipalities imposing at the maximum rate. On average, yield control has suppressed the county tax rate on residential properties by 3.3 mills in 2023 and the municipal rate by 1.2 mills in 2021, a statewide revenue loss of approximately $152 million for counties and $34 million for cities. This result has led some local governments to shift their revenue reliance to less stable sources, such as the gross receipts tax or fees and enterprise revenues.

Assessment limits and yield control interact with each other during high valuation growth periods to favor higher-appreciating properties and to shift the tax burden to lower appreciating properties. New Mexico tax expert Jim O'Neill described the phenomenon in a 2019 legislative presentation (edited):

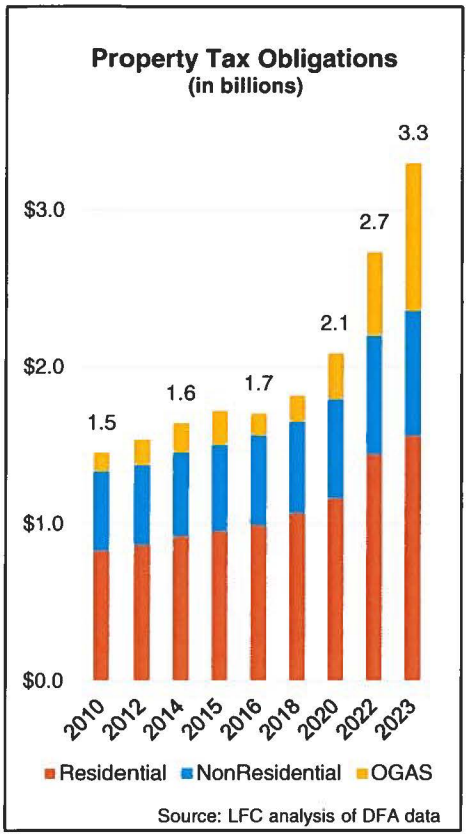
Assume that the district-wide increase in property market values is 4 percent and that the inflation index used by the yield control formula is 2 percent for the year. By itself, yield control would force the district's tax rate down by almost 2 percent. However, valuation increases on individual homes are capped at 3 percent. That means that around one-quarter of the valuation increase does not get booked into valuation for property taxation purposes. So, the yield control rate-suppressing effect shrinks to less than 1 percent. This has unequal impacts on property owners. Owners whose valuation increased by less than 3 percent receive only the yield control benefit. People whose market value rose over 3 percent enjoy both the yield control benefit and the tax-saving effects of the restraint on their home's bump in valuation.

Yield Control and Assessment Limit Effects on $400,000 Home at 20 Imposed Mills

	Home Value Growth	Yield Control Growth Factor	Yield-controlled mills	Yield control tax savings	Assessment-limited mills	Assessment limit tax savings
2003	5.1%	1.2%	20.0	$ -	20.0	$ -
2004	5.7%	3.1%	19.1	$ 120	19.5	$ 72.00
2005	9.2%	3.4%	18.1	$ 296	18.4	$ 248.92
2006	14.9%	5.0%	16.3	$ 660	16.5	$ 622.66
2007	10.2%	5.0%	15.5	$ 877	15.4	$ 895.98
2008	1.7%	5.0%	16.0	$ 792	15.6	$ 872.19
2009	-2.9%	5.0%	17.3	$ 518	16.5	$ 664.51
2010	-5.6%	0.0%	19.3	$ 136	18.1	$ 353.46
2011	-4.6%	2.0%	20.2	$ (31)	19.5	$ 87.95
2012	-2.8%	3.3%	21.2	$ (199)	20.0	$ -
2013	0.7%	2.0%	21.7	$ (293)	20.0	$ -
2014	-0.2%	0.7%	22.2	$ (373)	20.0	$ -
2015	2.4%	1.3%	21.8	$ (316)	20.0	$ -
2016	1.7%	0.0%	21.7	$ (307)	20.0	$ -
2017	3.3%	1.5%	21.0	$ (191)	19.9	$ 10.58
2018	3.6%	3.2%	20.6	$ (119)	19.8	$ 32.75
2019	3.9%	3.3%	20.5	$ (95)	19.7	$ 67.69
2020	6.5%	1.8%	19.9	$ 28	19.0	$ 206.94
2021	8.4%	1.7%	18.7	$ 305	18.1	$ 438.63
2022	17.5%	5.0%	16.1	$ 1,028	15.8	$ 1,108.08
2023	9.2%	5.0%	15.5	$ 1,302	14.9	$ 1,471.05
			Total Savings	**$ 4,137**		**$ 7,153.39**

Property Taxes and Economic Development

Unlike income taxes and consumption taxes, which may discourage working or purchases, the fixed stock of land as the property tax base is unaffected by property taxes. Because of this unique quality, property taxes not only present an opportunity for stable revenues but can also be used as a tool for economic development. Economic research suggests property tax regimes can encourage more intensive use of land and may slow urban sprawl. In Pittsburgh, property taxes were restructured from 1979 to 1980 so separate taxes on land were five times higher than the separate property tax on improvements or buildings. Studies of the change found building activity increased dramatically as a result,



with some research showing construction activity rising 60 percent as a result.[10]

Though it may be effective in development, using property taxes for such purposes has drawbacks. First, the more intensive use of property taxes leads to denser development, which may not be a policy goal because it can exacerbate congestion when insufficiently supported with infrastructure changes. Another issue raised by intensive property tax use is equity. Owners whose property has a high land value compared with the value of improvements will face an increased tax liability. Though, this shift might be mitigated by adjustments in the tax rate, special exemptions, or targeted tax credits.

Property Tax Relief and Incentives

While broad and overreaching growth control measures are effective at limiting property tax growth, they do not target those most in need, shift tax burdens away from appreciating properties, and hamper local government taxing authority. There are other forms of more targeted tax relief that better alleviate undue property tax burdens for those in need without creating horizontal tax inequities and hamstringing local budgets. New Mexico provides several forms of targeted property tax relief for low-income, elderly, disabled, and veteran residents, but there is opportunity for further reform.

Value Freezes or Exemptions

The state allows low-income disabled or elderly homeowners' property valuation to be frozen at its 2009 value or the value in the tax year in which the owner's 65th birthday occurs. Only households with income less than $41.9 thousand in 2024 are eligible. The eligible income threshold is adjusted for inflation each year, ensuring that eligibility remains constant and does not phase out with inflation. Little data on how many people may benefit from this value freeze is available because it is administered entirely by counties, and they are not required to report to the state on uptake. Bernalillo County reported around 1,500 applicants each year in the state's most populous county, representing nearly 50 percent of the state's population. While this value adjustment is targeted for those with low incomes, it only applies to elderly and disabled homeowners, treating low-income homeowners differently based solely on age and disability, and not on ability to pay.

The state also created several exemptions for military veterans. First, veterans are allowed a $4,000 exemption on the value of their property. Over 25 thousand households claim this exemption, costing local governments over $8.5 million a year[11]. Additionally, 100 percent disabled veterans are allowed a full exemption from the property tax on their principal place of residence. Over 12 thousand households claim this exemption, costing local governments over $21.5 million a year. These property tax relief measures are in addition to the recent exemption of up to $30 thousand of military retirement income from personal income tax.

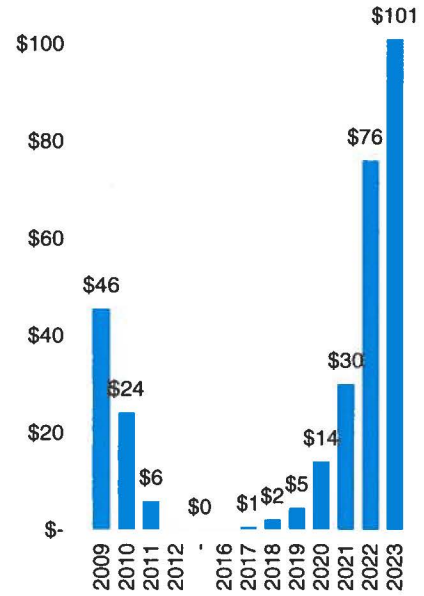
[10] The impact of urban land taxation: The Pittsburgh experience. Oates, Wallace E; Schwab, Robert M. National Tax Journal; Chicago Vol. 50, Iss. 1, (Mar 1997): 1-21.
[11] TRD, *2023 Tax Expenditure Report*

Proposed Exemptions

During the 2023 legislative session, the Legislature approved two constitutional amendments for voter approval in 2024 to expand the veteran property tax exemptions. The first amendment would increase the veteran exemption to $10 thousand. The second amendment would make the disabled exemption proportional to a veteran's level of disability. For example, a 90 percent disabled veteran would receive a 90 percent exemption of property taxes and a 20 percent disabled veteran would receive a 20 percent exemption, and so on.

Fiscal analysis of the legislation estimates these two amendments would cost local governments $41.8 million after yield control is considered. Because of yield control, the amendment will result in an increased tax for all other properties, if passed. Because the amendment, if approved, would exempt an estimated $2.3 billion of taxable value,[12] local governments would lose an estimated $69.3 million statewide, before yield control. But because of yield control, nonveteran properties will pick up the tab and pay $27.4 million in more property taxes a year. In other words, if the veterans property tax exemption amendment passes, nonveteran property taxes will be 1.6 mill levies higher than if it fails, representing a 4.6 percent tax increase on nonveteran properties.

Estimated 15-Year Statewide Assessment Limit Revenue Loss at 30 Imposed Mills in Millions



Source: LFC analysis of DFA data

Homestead Preferential Treatment

Most states currently give partial treatment to homesteads, or owner-occupied primary residences within the state. Homestead exemptions, sometimes structured as a lower tax rate, are designed to benefit primary residences over second home properties or properties with out-of-state owners. In New Mexico, head of households are allowed a $2,000 exemption on the taxable value of residential property for a primary home. However, the New Mexico exemption is not adjusted annually for inflation and does little to differentiate relief to owner-occupants over second-home or out-of-state owners. An increase of this kind of exemption would shift total tax burdens to second-home and out-of-state owners without hurting low- or middle-income locals. This style of taxation also disproportionately helps lower-valued homes because a larger nominal exemption would be a greater share of their home value and a greater tax break as a percentage of income.

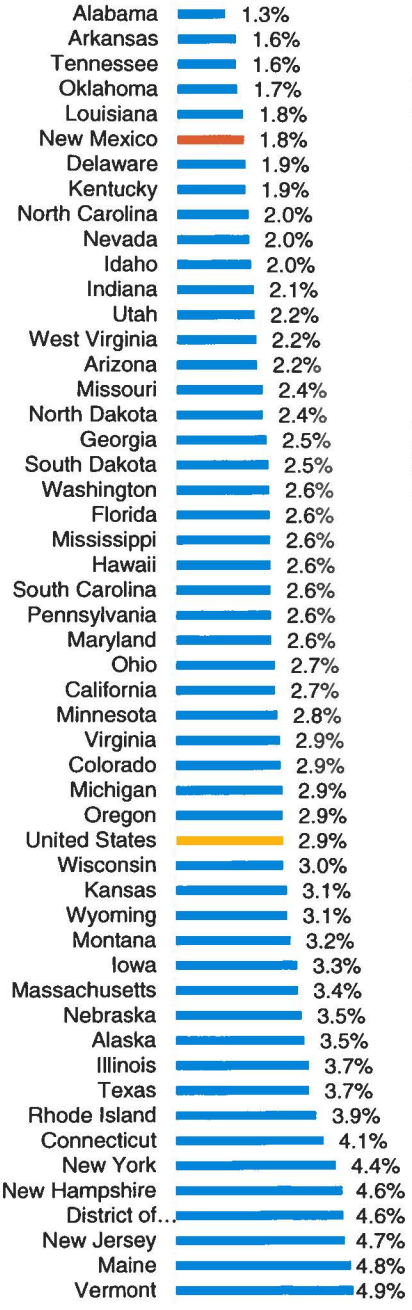
For example, if the head of household exemption were increased to $30 thousand for all owner-occupied primary residences, net taxable value would decrease by approximately $8 billion across the state. Mill levies would need to increase on average by 7.3 mills to keep tax revenue flat, statewide. For a homeowner with a home valued at $385 thousand, the statewide median, the exemption and mill increase together would equate to a tax savings of $118 per year, or 3 percent. Someone with a $200 thousand home would save $572 or nearly 30 percent. Conversely, someone with a home valued at $600 thousand would see taxes increase by $400 per year, about 7 percent.

One version of a homestead provision was introduced as House Bill 71 in the 2022 regular legislative session. HB71 sought to increase the current 3 percent assessment limit to 10 percent on residential properties that are not occupied as a principal place of residence. As a result, properties that are currently

[12] Assumes the weighted statewide mill rate of 33.9.

assessed at less than market value would be allowed to approach market value more rapidly if they are not used as primary residence compared to those that are. This "catch up" on value for nonprimary residences would result in a reduction of property tax for primary residences over time because those homes would continue to be limited to 3 percent annual increases a year and yield control would likely lower mills for all residential properties as collections increase.

Property Tax as a Percentage of Personal Income, 2021



Source: Lincoln Institute, 2024

Circuit Breakers

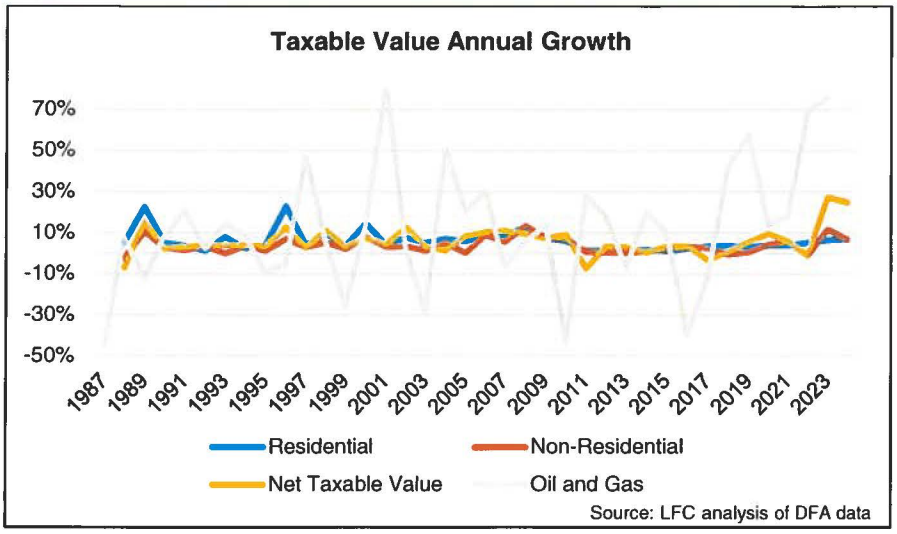
Thirty states provide "circuit breakers," or a tax credit when property tax amounts exceed a certain percentage of income. The goal of circuit breakers is to relieve property tax "overload" for low- or fixed-income property owners and renters. New Mexico's "excess of elderly taxpayers maximum property tax liability rebate from PIT" is a circuit breaker targeted at elderly homeowners and renters with incomes less than $16 thousand per year ($25 thousand in Los Alamos and Santa Fe counties) but excludes other low-income taxpayers. It is also not indexed to inflation; as incomes rise, more and more people lose eligibility.

Nationwide, circuit breakers are a popular tool for states to ease overly burdensome property tax liabilities. Half of state circuit breakers target property tax cuts to the elderly or disabled, usually based on the theory that these taxpayers have less ability to pay tax increases due to slow-growing incomes. Nearly three-quarters of state property tax credits nationwide are extended to at least a portion of renters, and two states provide the credit exclusively to renters. Income limits on state circuit breakers range from $5,500 in Arizona to $147,000 in Vermont. Some states also limit eligibility based on assets or the assessed value of the home. Every state limits the dollar amount that can be claimed. These limits range from $50 per exemption in Hawaii to $8,000 in Vermont.

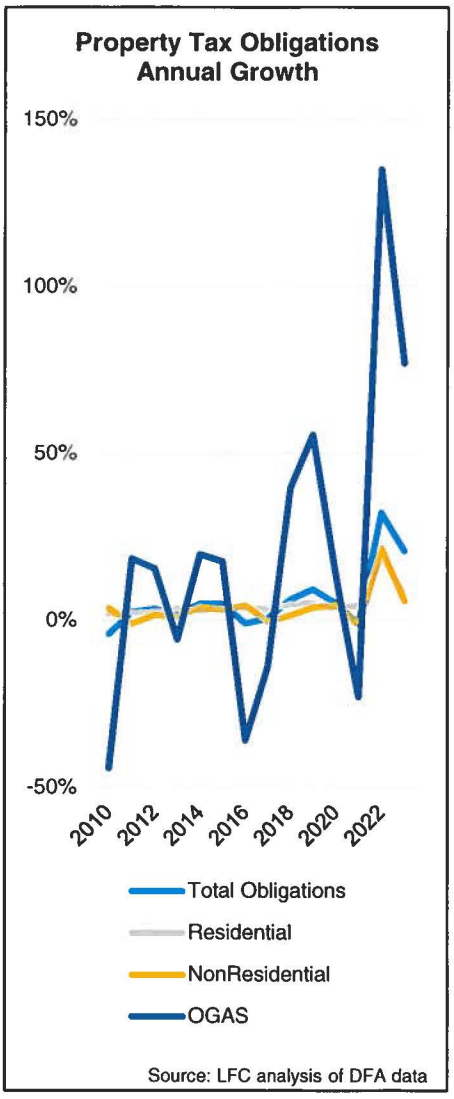
Circuit breakers have many benefits over broader property tax relief. Primarily, circuit breakers can be targeted to selected income groups. As a result, they are less expensive than "across the board" property tax breaks like homestead exemptions or tax caps, and the benefits go only to the taxpayers for whom property taxes are the most burdensome. Additionally, because circuit breaker credit amounts vary with income, the use of these credits introduces an "ability to pay" criterion that other property tax limits lack. Additionally, circuit breakers can help reign in high special and debt levies that are not controlled by assessment limits or yield control.

Property Taxes and Revenue Stability

Unlike severance taxes, personal income taxes, and gross receipts taxes, property taxes are the least affected by typical recessions and swings in oil and gas production. Although oil and gas production is included in the valuation of property taxes, the industry's volatility is paired with extremely stable residential and nonresidential property values, smoothing out total revenue. Despite oil and gas ad valorem revenue swings of 135 percent growth to 44 percent declines, total property tax revenues never grew or fell more than 22 percent in total.



According to the U.S. Census Bureau's survey of government tax collections, property taxes constitute the largest share of income for the average local government, accounting for 30.1 percent. In contrast, New Mexico's local governments rely less on property taxes, with only 18.8 percent of their income derived from this source. Instead, they heavily depend on gross receipts tax (GRT) revenue, ranking 10th in the nation for total reliance on this tax, while reliance on personal income tax (PIT) and property tax falls within the bottom quartile.



Among all revenue sources, property taxes exhibit the highest stability. Given New Mexico's below-average reliance on and tax rates for property taxes, property taxes present an opportunity to improve revenue stability and diversity. One additional mill, equivalent to 0.033 percent of property value, can generate approximately $110 million in revenues statewide. However, constitutional limitations constrain the operational use of property tax, and many local governments are further restricted below their full capacity by the state-imposed yield control.

The reliance of local governments on GRT, a tax that is more volatile and more regressive than property tax, has led to escalating GRT rates, fostering a less competitive business environment. Consequently, rebalancing the tax makeup of local governments by shifting from GRT to the property tax could improve local government stability and improve the state's business environment. This shift would also promote tax equity and bring us closer in line with neighboring and peer states.

Opportunities for Reform in New Mexico

By implementing certain reforms, New Mexico can achieve a fairer, more equitable property tax system that better serves its residents while enhancing revenue stability, encouraging affordable housing, and promoting economic growth.

Enact Full or Partial Disclosure for Nonresidential Properties

To address the imbalance in property tax burdens and ensure fairness in assessments, New Mexico should consider implementing full or partial disclosure requirements for nonresidential properties. Currently, the lack of

transparency in nonresidential property transactions hampers accurate assessments, leading to undervaluation and a shift in tax burden onto homeowners. Requiring disclosure of sales prices and income data for nonresidential properties would empower assessors to make more accurate valuations, promoting fairness and equity in the property tax system. This reform would enhance transparency, improve property contributions commensurate with value, and alleviate the burdens on homeowners.

Expand Targeted Tax Relief

While the state offers some targeted property tax relief for specific demographics—such as low-income elderly, disabled homeowners, and military veterans—the state's selective approach is shifting the tax burden to other homeowners. By reforming relief measures and adjusting them annually for inflation, New Mexico can provide more effective assistance to those in need without sacrificing horizontal tax equity or straining local budgets.

New Mexico's homestead exemption presents the best opportunity for improvement because the current provision is limited and not adjusted for inflation. Expanding this exemption for owner-occupied primary residences would benefit local homeowners and differentiate relief from second homes or out-of-state properties. This revenue-neutral reform would export property taxes outside of the state by shifting some of the burden to non-primary residences without disproportionately affecting low- or middle-income locals or hurting local revenues.

Impact of Homestead Exemption by Home Value

	Taxes owed by exemption amount		
Home Price	$2,000 (current)	$30,000	% Change
$200,000	$1,945	$1,373	- 29.4%
$433,000	$4,281	$4,281	0%
$600,000	$5,995	$6,365	+ 6.9%

Introducing circuit breakers, which provide tax credits when property tax burdens exceed a certain percentage of income, offers a targeted approach to easing tax burdens for low- or fixed-income property owners and renters. New Mexico's current circuit breaker, focused on elderly taxpayers, could be expanded to include other low-income groups and indexed for inflation to ensure continued effectiveness. By incorporating an "ability to pay" criterion, circuit breakers introduce fairness into the tax system and alleviate burdens for those most in need.

Repeal Assessment Limits

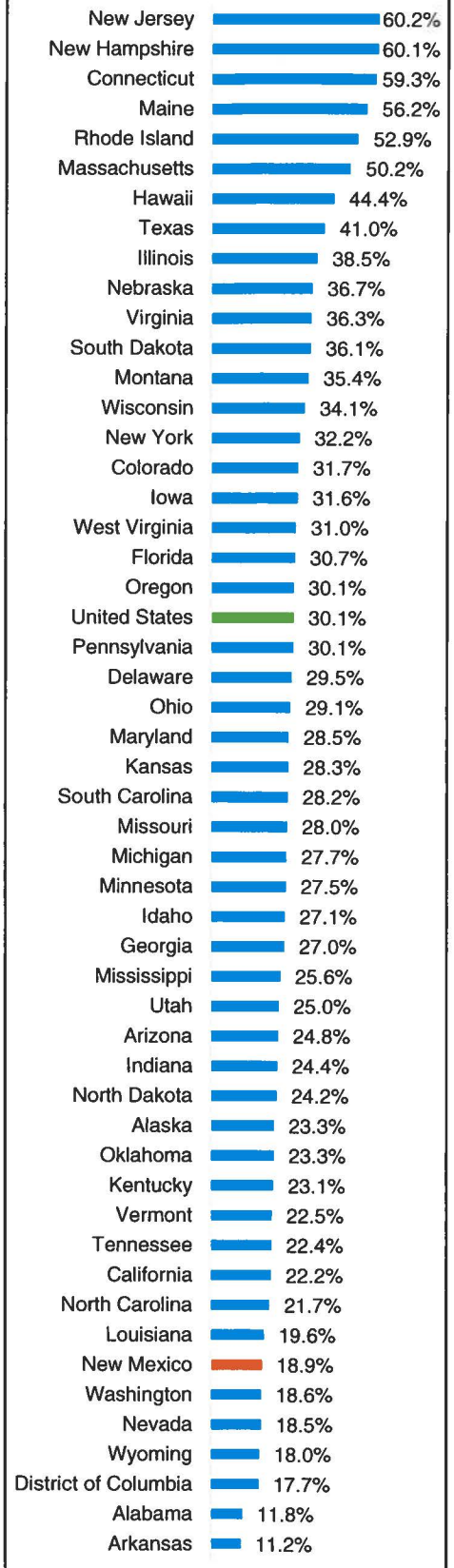
New Mexico's current assessment limits create significant inequities in property valuations, favoring longer-term homeowners and landlords while burdening younger, first-time buyers and lower-income residents. By repealing these limits, the state can restore fairness in property taxation, ensuring that valuations reflect market values consistently. Repealing

assessment limits would also address the "lock-in effect," encouraging mobility in the housing market and contributing to increased affordability by preventing artificial constraints on supply. Combined with circuit breakers and homestead exemptions, low-income, fixed-income, or generational homes could remain affordable to long-term families in New Mexico while maintaining local government revenues and improving horizontal equity.

Rebalance Revenue Sources

New Mexico's heavy reliance on gross receipts tax (GRT) revenue, coupled with below-average reliance on property taxes, sets the state apart from the rest of the country. Property taxes, being less affected by economic and oil industry fluctuations, offer a more stable revenue source, providing an opportunity to diversify and strengthen local government finances while reducing reliance on regressive taxes. State and local governments could consider eliminating assessment limits, increasing or removing yield controls, or other interventions to allow greater local government revenue collections from property taxes in exchange for reduced GRT increments to improve local revenue stability, progressivity, business climate, and equity.

Property Tax as a Percentage of Local General Revenue, 2021



Source: Lincoln Institute, 2024

Appendix A: 2023 Taxable Values and Property Tax Obligations

2023 Taxable Values and Property Tax Obligations by County
(in thousands)

	Taxable Value				Property Tax Obligations			
	Total	Residential	Nonresidential	Ad Valorem	Total	Residential	Nonresidential	Ad Valorem
Statewide	$ 110,410,782	$ 46,121,556	$ 23,335,221	$ 40,954,005	$ 3,301,517	$ 1,567,793	$ 792,105	$ 941,619
share		*41.8%*	*21.1%*	*37.1%*		*47.5%*	*24.0%*	*28.5%*
Bernalillo	$ 20,123,541	$ 15,950,315	$ 4,173,227	$ -	$ 965,569	$ 743,995	$ 221,575	$ -
		79.3%	*20.7%*	*0.0%*		*77.1%*	*22.9%*	*0.0%*
Catron	$ 145,161	$ 89,962	$ 55,199	$ -	$ 2,698	$ 1,662	$ 1,036	$ -
		62.0%	*38.0%*	*0.0%*		*61.6%*	*38.4%*	*0.0%*
Chaves	$ 1,544,750	$ 818,863	$ 619,523	$ 106,363	$ 43,110	$ 21,803	$ 19,110	$ 2,197
		53.0%	*40.1%*	*6.9%*		*50.6%*	*44.3%*	*5.1%*
Cibola	$ 375,651	$ 169,088	$ 206,564	$ -	$ 12,720	$ 5,468	$ 7,253	$ -
		45.0%	*55.0%*	*0.0%*		*43.0%*	*57.0%*	*0.0%*
Colfax	$ 733,090	$ 467,795	$ 214,354	$ 50,941	$ 19,156	$ 12,276	$ 5,753	$ 1,126
		63.8%	*29.2%*	*6.9%*		*64.1%*	*30.0%*	*5.9%*
Curry	$ 1,081,612	$ 697,767	$ 383,846	$ -	$ 25,836	$ 17,062	$ 8,774	$ -
		64.5%	*35.5%*	*0.0%*		*66.0%*	*34.0%*	*0.0%*
De Baca	$ 104,568	$ 19,591	$ 84,977	$ -	$ 2,400	$ 472	$ 1,928	$ -
		18.7%	*81.3%*	*0.0%*		*19.7%*	*80.3%*	*0.0%*
Dona Ana	$ 5,603,144	$ 4,117,908	$ 1,485,236	$ -	$ 174,853	$ 123,606	$ 51,248	$ -
		73.5%	*26.5%*	*0.0%*		*70.7%*	*29.3%*	*0.0%*
Eddy	$ 21,488,800	$ 1,006,687	$ 3,664,214	$ 16,817,900	$ 487,810	$ 25,829	$ 105,255	$ 356,727
		4.7%	*17.1%*	*78.3%*		*5.3%*	*21.6%*	*73.1%*
Grant	$ 852,304	$ 486,439	$ 223,220	$ 142,645	$ 18,431	$ 9,565	$ 5,574	$ 3,292
		57.1%	*26.2%*	*16.7%*		*51.9%*	*30.2%*	*17.9%*
Guadalupe	$ 192,919	$ 41,284	$ 151,635	$ -	$ 5,405	$ 1,125	$ 4,280	$ -
		21.4%	*78.6%*	*0.0%*		*20.8%*	*79.2%*	*0.0%*
Harding	$ 80,841	$ 6,074	$ 53,562	$ 21,205	$ 2,179	$ 134	$ 1,480	$ 565
		7.5%	*66.3%*	*26.2%*		*6.1%*	*67.9%*	*25.9%*
Hidalgo	$ 191,799	$ 28,927	$ 162,873	$ -	$ 4,097	$ 581	$ 3,516	$ -
		15.1%	*84.9%*	*0.0%*		*14.2%*	*85.8%*	*0.0%*
Lea	$ 24,665,032	$ 829,513	$ 2,303,141	$ 21,532,378	$ 604,390	$ 22,503	$ 62,629	$ 519,258
		3.4%	*9.3%*	*87.3%*		*3.7%*	*10.4%*	*85.9%*
Lincoln	$ 1,676,715	$ 1,138,049	$ 538,665	$ -	$ 45,446	$ 30,066	$ 15,380	$ -
		67.9%	*32.1%*	*0.0%*		*66.2%*	*33.8%*	*0.0%*
Los Alamos	$ 990,765	$ 868,981	$ 121,783	$ -	$ 24,355	$ 20,858	$ 3,497	$ -
		87.7%	*12.3%*	*0.0%*		*85.6%*	*14.4%*	*0.0%*
Luna	$ 661,498	$ 289,390	$ 372,108	$ -	$ 16,174	$ 7,083	$ 9,091	$ -
		43.7%	*56.3%*	*0.0%*		*43.8%*	*56.2%*	*0.0%*
McKinley	$ 747,356	$ 284,269	$ 462,876	$ 210	$ 27,457	$ 10,171	$ 17,279	$ 7
		38.0%	*61.9%*	*0.0%*		*37.0%*	*62.9%*	*0.0%*
Mora	$ 163,914	$ 88,858	$ 75,057	$ -	$ 3,504	$ 1,665	$ 1,839	$ -
		54.2%	*45.8%*	*0.0%*		*47.5%*	*52.5%*	*0.0%*
Otero	$ 1,459,192	$ 1,002,479	$ 456,713	$ -	$ 37,974	$ 24,380	$ 13,594	$ -
		68.7%	*31.3%*	*0.0%*		*64.2%*	*35.8%*	*0.0%*
Quay	$ 258,081	$ 96,097	$ 160,482	$ 1,501	$ 6,733	$ 2,521	$ 4,180	$ 32
		37.2%	*62.2%*	*0.6%*		*37.4%*	*62.1%*	*0.5%*
Rio Arriba	$ 1,750,621	$ 584,796	$ 381,280	$ 784,546	$ 44,170	$ 14,826	$ 11,289	$ 18,055
		33.4%	*21.8%*	*44.8%*		*33.6%*	*25.6%*	*40.9%*
Roosevelt	$ 687,643	$ 213,228	$ 451,487	$ 22,929	$ 15,553	$ 5,106	$ 9,978	$ 469
		31.0%	*65.7%*	*3.3%*		*32.8%*	*64.2%*	*3.0%*
San Juan	$ 4,566,517	$ 1,713,055	$ 1,566,562	$ 1,286,899	$ 118,427	$ 42,186	$ 41,341	$ 34,900
		37.5%	*34.3%*	*28.2%*		*35.6%*	*34.9%*	*29.5%*
San Miguel	$ 709,112	$ 472,220	$ 236,892	$ -	$ 18,653	$ 11,187	$ 7,466	$ -
		66.6%	*33.4%*	*0.0%*		*60.0%*	*40.0%*	*0.0%*
Sandoval	$ 5,041,988	$ 3,899,529	$ 967,408	$ 175,051	$ 180,296	$ 138,353	$ 37,238	$ 4,705
		77.3%	*19.2%*	*3.5%*		*76.7%*	*20.7%*	*2.6%*
Santa Fe	$ 9,428,459	$ 7,601,237	$ 1,827,221	$ -	$ 243,857	$ 185,318	$ 58,539	$ -
		80.6%	*19.4%*	*0.0%*		*76.0%*	*24.0%*	*0.0%*
Sierra	$ 352,006	$ 215,433	$ 136,573	$ -	$ 10,339	$ 6,171	$ 4,168	$ -
		61.2%	*38.8%*	*0.0%*		*59.7%*	*40.3%*	*0.0%*
Socorro	$ 346,251	$ 181,834	$ 164,417	$ -	$ 12,865	$ 6,615	$ 6,250	$ -
		52.5%	*47.5%*	*0.0%*		*51.4%*	*48.6%*	*0.0%*
Taos	$ 1,770,934	$ 1,159,536	$ 611,398	$ -	$ 41,298	$ 23,682	$ 17,616	$ -
		65.5%	*34.5%*	*0.0%*		*57.3%*	*42.7%*	*0.0%*
Torrance	$ 531,052	$ 207,052	$ 324,001	$ -	$ 13,074	$ 5,219	$ 7,855	$ -
		39.0%	*61.0%*	*0.0%*		*39.9%*	*60.1%*	*0.0%*
Union	$ 189,071	$ 44,460	$ 133,175	$ 11,436	$ 5,078	$ 1,163	$ 3,629	$ 285
		23.5%	*70.4%*	*6.0%*		*22.9%*	*71.5%*	*5.6%*
Valencia	$ 1,896,392	$ 1,330,841	$ 565,550	$ -	$ 67,608	$ 45,142	$ 22,466	$ -
		70.2%	*29.8%*	*0.0%*		*66.8%*	*33.2%*	*0.0%*

Source: LFC Analysis of DFA data

Appendix B: FY2023 Municipal Revenues

General Fund Revenue Sources by Municipality, Fiscal Year 2023

Municipality	Gross Receipts Tax	Property Tax	Other Taxes	Licenses, Permits, Fees,	Other Revenue Sources
Statewide	**72.6%**	**10.4%**	**5.4%**	**7.5%**	**4.1%**
Albuquerque	71.4%	13.2%	4.8%	9.8%	0.8%
Alamogordo	72.6%	14.6%	4.4%	4.5%	3.9%
Angel Fire	72.1%	10.4%	13.1%	1.0%	3.4%
Anthony	35.4%	5.8%	32.0%	9.3%	17.4%
Artesia	78.6%	3.8%	11.7%	3.3%	2.5%
Aztec	55.8%	8.0%	7.1%	7.6%	21.5%
Bayard	22.1%	7.8%	6.3%	2.1%	61.7%
Belen	79.7%	10.0%	3.0%	2.9%	4.5%
Bernalillo	82.4%	8.6%	3.4%	2.3%	3.3%
Bloomfield	44.9%	9.8%	30.3%	4.3%	10.6%
Bosque Farms	58.9%	8.0%	4.0%	3.9%	25.1%
Capitan	45.8%	10.8%	5.8%	0.7%	36.9%
Carlsbad	84.5%	6.2%	1.5%	4.7%	3.0%
Carrizozo	33.6%	11.8%	31.9%	3.2%	19.5%
Causey	16.4%	3.4%	0.2%	0.0%	80.0%
Chama	74.9%	8.5%	7.9%	1.7%	7.0%
Cimarron	45.5%	9.7%	11.0%	1.1%	32.7%
Clayton	46.7%	4.4%	2.7%	13.1%	33.1%
Cloudcroft	65.2%	3.7%	4.0%	3.6%	23.6%
Clovis	74.3%	8.2%	4.4%	10.3%	2.9%
Columbus	39.8%	9.2%	5.4%	3.6%	41.9%
Corona	39.4%	4.5%	32.7%	0.1%	23.2%
Corrales	60.6%	24.5%	5.4%	4.0%	5.5%
Cuba	72.7%	3.3%	8.1%	1.2%	14.8%
Deming	58.5%	5.5%	2.5%	8.6%	24.8%
Des Moines	43.2%	5.3%	7.9%	3.5%	40.1%
Dexter	47.5%	1.3%	3.9%	15.2%	32.1%
Dora	10.9%	1.5%	14.6%	0.1%	72.9%
Eagle Nest	62.8%	8.3%	4.3%	1.7%	22.9%
Edgewood	87.2%	6.8%	0.2%	2.0%	3.7%
Elephant Butte	50.9%	18.3%	7.1%	1.7%	22.0%
Elida	13.2%	1.3%	16.2%	1.2%	68.0%
Encino	78.0%	0.8%	2.2%	0.1%	18.9%
Espanola	81.5%	9.2%	3.8%	2.9%	2.6%
Estancia	62.3%	3.7%	2.1%	0.8%	31.1%
Eunice	77.2%	3.4%	7.4%	2.4%	9.6%
Farmington	79.7%	3.5%	0.9%	5.9%	10.1%
Floyd	29.6%	1.4%	3.7%	0.0%	65.3%
Folsom	25.5%	2.6%	0.3%	0.0%	71.5%
Fort Sumner	50.0%	2.5%	1.2%	5.3%	41.0%
Gallup	82.2%	7.4%	5.7%	3.8%	1.0%
Grady	10.9%	0.9%	0.1%	0.0%	88.1%
Grants	72.2%	5.1%	3.5%	15.0%	4.1%
Grenville	13.5%	4.7%	0.0%	3.9%	77.9%
Hagerman	47.9%	1.5%	3.2%	8.3%	39.1%
Hatch	58.6%	7.5%	3.9%	21.5%	8.5%
Hobbs	80.8%	5.0%	3.1%	4.6%	6.5%
Hope	29.0%	2.0%	2.3%	14.5%	52.2%
House	22.0%	4.0%	0.3%	0.4%	73.3%
Hurley	12.0%	5.8%	14.2%	10.1%	57.8%
Jal	94.8%	1.1%	0.5%	2.4%	1.2%
Jemez Springs	55.8%	10.1%	2.4%	2.1%	29.6%
Kirtland	81.1%	0.0%	11.7%	0.7%	6.5%

Municipality	Gross Receipts Tax	Property Tax	Other Taxes	Licenses, Permits, Fees,	Other Revenue Sources
Lake Arthur	43.8%	1.9%	5.6%	10.5%	38.2%
Las Cruces	78.5%	10.9%	2.8%	5.3%	2.5%
Las Vegas	63.9%	12.0%	7.7%	11.6%	4.9%
Logan	88.4%	5.1%	0.5%	0.4%	5.6%
Lordsburg	66.2%	3.1%	2.1%	1.0%	27.6%
Los Lunas	77.9%	8.5%	4.1%	7.7%	1.8%
Los Ranchos Al	76.9%	0.0%	7.9%	2.3%	12.8%
Loving	57.1%	0.6%	34.3%	1.8%	6.2%
Lovington	75.6%	5.4%	1.2%	11.1%	6.7%
Magdalena	53.1%	1.3%	5.5%	2.9%	37.2%
Maxwell	30.5%	9.7%	7.5%	5.0%	47.2%
Melrose	36.0%	2.4%	6.6%	3.4%	51.6%
Mesilla	66.5%	3.8%	4.0%	19.0%	6.7%
Milan	81.8%	8.2%	3.0%	1.2%	5.8%
Moriarty	70.9%	2.3%	1.3%	2.3%	23.1%
Mosquero	27.7%	1.4%	0.7%	0.8%	69.4%
Mountainair	39.6%	5.6%	2.7%	2.4%	49.7%
Pecos	46.1%	1.0%	2.2%	1.9%	48.8%
Peralta	50.4%	0.0%	7.7%	4.3%	37.6%
Portales	77.7%	5.1%	6.3%	8.9%	2.1%
Questa	54.6%	11.0%	4.1%	1.3%	29.0%
Raton	49.1%	10.9%	4.4%	9.4%	26.1%
Red River	50.1%	13.1%	3.6%	9.1%	24.1%
Reserve	34.9%	2.1%	4.8%	2.0%	56.1%
Rio Communitie	41.2%	15.6%	15.0%	0.2%	28.0%
Rio Rancho	59.5%	20.9%	6.5%	8.9%	4.2%
Roswell	44.7%	10.1%	33.5%	3.2%	8.5%
Roy	27.0%	2.2%	1.3%	18.4%	51.1%
Ruidoso	62.5%	17.5%	6.0%	8.3%	5.7%
Ruidoso Downs	83.4%	8.4%	2.2%	3.6%	2.3%
San Jon	65.2%	5.6%	0.6%	0.1%	28.5%
San Ysidro	57.9%	4.1%	10.0%	0.7%	27.3%
Santa Clara	40.8%	5.9%	6.5%	1.1%	45.7%
Santa Fe	85.4%	4.7%	2.4%	7.3%	0.2%
Santa Rosa	86.3%	9.0%	0.0%	1.5%	3.2%
Silver City	85.2%	5.3%	4.6%	1.7%	3.1%
Socorro	60.8%	6.8%	2.3%	8.9%	21.2%
Springer	38.2%	6.7%	23.4%	5.7%	26.0%
Sunland Park	61.6%	20.3%	6.5%	9.7%	2.0%
T or C	77.7%	3.7%	1.9%	4.6%	12.0%
Taos	80.7%	8.1%	5.1%	4.7%	1.3%
Taos Ski Valley	71.6%	14.8%	3.1%	4.8%	5.7%
Tatum	35.0%	1.8%	6.5%	27.2%	29.4%
Texico	45.4%	2.1%	6.4%	2.1%	44.0%
Tijeras	87.9%	1.5%	1.2%	1.3%	8.1%
Tucumcari	63.0%	7.1%	3.2%	16.9%	9.8%
Tularosa	52.2%	12.1%	3.8%	4.2%	27.6%
Vaughn	35.5%	14.4%	19.8%	1.9%	28.4%
Virden	9.3%	1.9%	4.6%	7.0%	77.2%
Wagon Mound	19.4%	12.0%	24.1%	1.8%	42.6%
Willard	29.7%	9.1%	2.7%	21.7%	36.8%
Williamsburg	37.1%	2.7%	13.0%	1.8%	45.4%
Average	55.7%	6.7%	6.8%	5.2%	25.6%

DFA Data, Compiled by the NM Municipal League

Appendix C: 2023 Mills by Type by County

Mills by Type, 2023												
	Special		State Debt (GOB)		Muni Debt		Muni Operating		County Debt		County Operating	
	Mills	*Share*	*Mills*	*Share*	*Mills*	*Share*	*Mills*	*Share*	*Mills*	*Share*	*Mills*	*Share*
State Avg	13.83	49%	1.36	5%	0.40	1%	2.02	7%	0.31	1%	9.44	36%
Bernalillo	28.30	59%	1.36	3%	4.06	8%	5.16	11%	1.26	3%	7.84	16%
Catron	5.26	28%	1.36	7%	0.00	0%	0.11	1%	0.00	0%	11.85	64%
Chaves	14.81	53%	1.36	5%	0.00	0%	3.95	14%	0.00	0%	7.79	28%
Cibola	19.43	57%	1.36	4%	0.22	1%	2.25	7%	0.00	0%	10.61	31%
Colfax	8.82	34%	1.36	5%	1.72	7%	3.74	14%	0.00	0%	10.49	40%
Curry	9.39	39%	1.36	6%	0.00	0%	3.28	14%	0.00	0%	9.85	41%
De Baca	11.59	50%	1.36	6%	0.00	0%	0.31	1%	0.00	0%	9.70	42%
Dona Ana	14.29	46%	1.36	4%	1.33	4%	4.23	14%	0.09	0%	9.91	32%
Eddy	13.63	60%	1.36	6%	0.00	0%	0.30	1%	0.00	0%	7.41	33%
Grant	8.97	41%	1.36	6%	0.00	0%	1.13	5%	1.12	5%	9.04	42%
Guadalupe	13.59	49%	1.36	5%	0.00	0%	1.73	6%	0.00	0%	11.34	40%
Harding	14.82	55%	1.36	5%	0.00	0%	0.09	0%	0.00	0%	10.69	40%
Hidalgo	7.75	36%	1.36	6%	0.00	0%	0.64	3%	0.00	0%	11.62	54%
Lea	12.45	51%	1.36	6%	0.00	0%	0.21	1%	0.00	0%	10.48	43%
Lincoln	16.54	61%	1.36	5%	0.76	3%	2.34	9%	0.00	0%	6.09	22%
Los Alamos	13.94	57%	1.36	6%	0.00	0%	3.59	15%	0.00	0%	5.69	23%
Luna	8.81	36%	1.36	6%	0.91	4%	1.98	8%	0.00	0%	11.38	47%
McKinley	20.88	57%	1.36	4%	0.75	2%	3.63	10%	0.00	0%	10.12	28%
Mora	8.69	41%	1.36	6%	0.00	0%	0.25	1%	1.40	7%	9.67	45%
Otero	12.57	48%	1.36	5%	0.84	3%	2.84	11%	0.00	0%	8.41	32%
Quay	12.12	46%	1.36	5%	0.00	0%	3.23	12%	0.00	0%	9.37	36%
Rio Arriba	12.02	48%	1.36	5%	0.00	0%	0.54	2%	1.63	6%	9.68	38%
Roosevelt	8.56	38%	1.36	6%	0.00	0%	1.25	6%	0.00	0%	11.44	51%
San Juan	15.69	60%	1.36	5%	0.00	0%	0.88	3%	0.00	0%	8.00	31%
San Miguel	14.60	56%	1.36	5%	0.00	0%	2.56	10%	0.00	0%	7.78	30%
Sandoval	19.66	55%	1.36	4%	1.97	6%	5.10	14%	0.61	2%	7.05	20%
Santa Fe	14.33	55%	1.36	5%	0.27	1%	1.16	4%	2.13	8%	6.62	26%
Sierra	15.48	53%	1.36	5%	0.00	0%	1.40	5%	0.00	0%	11.13	38%
Socorro	21.88	59%	1.36	4%	0.00	0%	2.25	6%	0.93	2%	10.75	29%
Taos	12.11	52%	1.36	6%	0.07	0%	1.64	7%	0.00	0%	8.13	35%
Torrance	10.69	43%	1.36	6%	0.00	0%	0.53	2%	0.19	1%	11.85	48%
Union	12.99	48%	1.36	5%	0.00	0%	1.15	4%	0.00	0%	11.36	42%
Valencia	21.55	60%	1.36	4%	0.40	1%	3.19	9%	0.71	2%	8.44	24%

LFC analysis of DFA data

Yield Control Inflation Factor and House Price Index by County

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Inflation Factor	**0.0%**	**2.0%**	**3.3%**	**2.0%**	**0.7%**	**1.3%**	**0.0%**	**1.5%**	**3.2%**	**3.3%**	**1.8%**	**1.7%**	**5.0%**	**5.0%**
Statewide	*-5.6%*	*-4.6%*	*-2.8%*	*0.7%*	*-0.2%*	*2.4%*	*1.7%*	*3.3%*	*3.6%*	*3.9%*	*6.5%*	*8.4%*	*17.5%*	*9.2%*
Los Alamos	-2.5%	-1.4%	-1.7%	-3.8%	-3.5%	2.9%	7.2%	12.3%	8.6%	6.3%	5.5%	9.9%	17.0%	12.8%
Lincoln	-3.1%	-2.9%	-2.0%	3.4%	-4.7%	1.8%	4.0%	0.1%	6.4%	3.2%	7.4%	13.6%	16.5%	18.1%
Eddy	-0.1%	0.5%	0.1%	2.1%	6.0%	2.4%	2.6%	3.1%	6.6%	8.8%	4.5%	4.0%	4.8%	4.3%
Chaves	-2.9%	-3.5%	-2.8%	2.8%	0.5%	2.1%	3.5%	0.5%	1.8%	4.2%	8.8%	7.8%	11.2%	1.6%
Valencia	-5.8%	-5.2%	-4.3%	-1.9%	0.7%	3.1%	2.7%	3.7%	4.1%	6.3%	3.9%	13.5%	16.9%	9.9%
Roosevelt	1.8%	-5.0%	1.0%	3.1%	-3.9%	5.4%	2.1%	-3.0%	-4.2%	3.2%	4.5%	5.4%	9.9%	1.5%
Luna	-7.3%	-4.0%	-8.6%	2.2%	1.3%	-3.2%	0.5%	0.2%	-1.3%	13.0%	-1.9%	11.9%	12.8%	20.8%
Grant	-7.1%	-3.6%	-3.0%	1.8%	0.6%	0.4%	3.2%	-0.9%	4.3%	1.9%	3.6%	10.0%	14.5%	12.2%
Cibola	-3.1%	0.3%	4.4%	-6.2%	8.2%	9.4%	-2.4%	-0.6%	-6.6%	0.8%	10.1%	10.3%	3.9%	9.4%
Sierra	-9.0%	-2.2%	3.3%	-9.0%	5.7%	-6.0%	2.8%	1.4%	-4.5%	7.8%	9.0%	11.4%	6.0%	38.8%
Colfax	-5.0%	-1.3%	-0.9%	-0.7%	-3.3%	4.2%	-3.4%	5.0%	-0.6%	4.8%	7.4%	13.9%	19.6%	-1.5%
Socorro	1.5%	-4.7%	-2.4%	-0.7%	-9.7%	6.0%	4.4%	-1.8%	1.1%	6.6%	-1.0%	13.2%	21.1%	-0.5%
Torrence	1.7%	-10.6%	-14.7%	10.7%	0.4%	9.8%	-16.4%	31.9%	-4.9%	0.5%	12.3%	3.7%	28.0%	-10.8%
Otera	0.5%	-1.2%	-2.3%	-0.5%	-0.5%	-2.2%	-0.1%	3.5%	0.2%	6.9%	4.0%	10.1%	15.3%	3.5%
Taos	-2.8%	-5.1%	-1.6%	-0.5%	-3.5%	5.6%	2.5%	5.7%	5.9%	1.2%	5.8%	6.7%	16.4%	9.2%
Sandoval	-5.2%	-4.5%	-2.9%	0.3%	0.8%	2.2%	3.9%	3.2%	5.4%	5.6%	5.1%	13.9%	17.1%	8.9%
McKinley	-1.6%	-2.5%	-0.4%	0.0%	7.0%	-2.4%	0.3%	0.7%	4.4%	2.1%	3.4%	7.8%	9.1%	6.5%
Lea	1.8%	-2.4%	2.6%	6.7%	5.9%	0.7%	0.0%	3.5%	0.9%	6.1%	3.6%	5.5%	5.4%	6.0%
Curry	1.7%	-1.3%	0.4%	0.8%	2.0%	-1.0%	-2.8%	3.8%	-1.8%	0.2%	4.8%	7.0%	10.4%	8.1%
Bernalillo	-4.1%	-4.7%	-2.5%	1.1%	2.1%	1.3%	3.3%	3.6%	3.4%	4.5%	5.2%	12.6%	16.3%	8.3%
San Miguel	0.4%	-6.9%	-1.7%	-3.8%	5.5%	-5.1%	5.6%	2.1%	-2.4%	7.0%	0.0%	12.8%	14.8%	11.4%
Santa Fe	-6.9%	-5.0%	-3.8%	0.8%	0.7%	3.4%	5.4%	3.2%	7.2%	7.7%	4.8%	11.8%	16.9%	6.5%
Rio Arriba	-2.5%	-8.6%	-5.1%	6.5%	-4.7%	0.6%	-0.4%	5.6%	8.1%	0.9%	2.9%	14.1%	9.1%	2.1%
Dona Ana	-5.2%	-5.4%	-3.8%	-0.9%	-1.8%	1.0%	2.1%	2.6%	4.4%	4.4%	3.8%	13.3%	16.9%	10.0%
San Juan	-4.3%	-4.6%	-1.4%	1.7%	-0.7%	1.1%	0.9%	-2.0%	-0.4%	0.8%	4.6%	8.3%	12.5%	8.6%

Source: Inflation Factor History - DFA Property Tax Division

House Price Index - Economic Research Divison, Federal Reserve Bank of St. Louis

Appendix E: Select Property Tax Charts