



A GUIDE TO UNDERSTANDING YOUR PROPERTY TAX ASSESSMENT

Lea County Assessor



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QUESTIONS?

"We are happy to assist you!"

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A GUIDE TO UNDERSTANDING

1. YOUR NOTICE OF VALUE IS THE KEY TO UNDERSTANDING YOUR PROPERTY TAX PROCESS. LOOK FOR IT IN THE MAIL IN APRIL EACH YEAR.

Each year the Assessor mails each property owner a "Notice of Value." This form serves to inform the owner of the total assessed value, the property description, and exemptions applied to the property. Lea County typically mails notices on or around March 31st of each year. This form is an important step in the property tax process. Please read it carefully and follow the instructions on the back. The assessed value on the "notice" will be a factor in determining your property taxes. See example on back.

DISAGREE WITH YOUR VALUATION?

Property owners may appeal the value or classification determined for their property by filing a petition of protest with the county assessor within 30 days of the official mail date of the notice of value. Lea County typically mails notices on or around March 31st of each year. Protest forms are available on our website or in our office.

2. LIMITATION ON VALUATION INCREASES FOR RESIDENTIAL REAL PROPERTY. DID YOU KNOW THAT THERE ARE LIMITS ON VALUATION INCREASES?

Lea County re-appraises property each year. The total value determined by the assessor for real property each tax year is based on the market value of the property in the prior year. For example your 2016 notice of value will reflect a 2015 market value. However, there are restrictions against increasing residential property valuations, i.e. houses, apartments, manufactured homes. Under state law, valuation increases on residential property must not exceed 3 percent per year of the prior year's assessed value. Example:

2014 Assessor's Full Value was:	\$100,000
2015 Assessor's Full Value cannot exceed:	\$103,000
2016 Assessor's Full Value cannot exceed:	\$106,000

THERE ARE SOME EXCEPTIONS TO THE LIMITATIONS. THE LIMITATION DOES NOT APPLY TO:

- Property that has changed in ownership due to a sale. In this case the valuation cap is removed in the tax year after the sale date and the Assessor's valuation must be changed to reflect the market value of the year of the sale date. This is especially important to potential home buyers. Please be aware of the potential increase in property valuation that could lead to increased taxes.
- Property that is placed on the tax rolls for the first time such as a new home.
- Any new improvements made to property in the year prior to current tax year such as additions or outbuildings.
- Property whose use or zoning has changes.

3. TAXPAYER BENEFITS & EXEMPTIONS. DO YOU QUALIFY FOR A TAX PAYER BENEFIT?

HEAD OF FAMILY EXEMPTIONS

The Head of Family Exemption is a \$2,000 reduction of the taxable value of your residential real estate. Only one person in a household may qualify as Head of Family, and it may only be applied in one county in the state.

YOUR PROPERTY TAX ASSESSMENT

Essentially, any New Mexico resident who provides more than half the cost of support to the household may qualify. Dependents are not a requirement. By claiming this exemption your savings in taxes will depend on which tax district your property lies.

VETERAN'S EXEMPTION

The Veteran's Exemption is a \$4,000 reduction in the taxable value of your real estate. Any honorably discharged veteran (or the veteran's unmarried surviving spouse) who has applied with the New Mexico Department of Veterans' Services and has been issued a "certificate of eligibility" may qualify for this benefit. For first time applicants, the certificate must be presented to the Assessor's Office within the deadline. Once the exemption is claimed and applied, it remains applied to the property until the ownership of that property changes. With this exemption your savings in taxes will depend on which tax district your property lies.

100% DISABLED VETERAN EXEMPTION

Any veteran who is deemed 100 percent disabled (or the veteran's unmarried surviving spouse) who has applied with the New Mexico Department of Veterans' Services and has been issued a "certificate of eligibility" may qualify for a 100 percent exemption from property taxes on his or her place of residence. Once the exemption is claimed and applied, it will remain applied to the property until the ownership of that property changes. Other circumstances may apply.

VALUATION FREEZE

If you are 65 years or older OR permanently disabled (at any age) AND had a modified gross income of **\$32,000 or less prior to the year you are applying, you may apply for a property-valuation freeze for your residence. Application must be submitted along with proof of income, age & disability. Freezing your valuation will help minimize your property value increases. An owner who has claimed and been allowed the limitation of value for the three consecutive tax years need not claim the limitation for subsequent tax years if there is no change in eligibility. The Assessor will continue to apply the limitation automatically until a change in eligibility occurs and is reported by the owner. This Freeze affects the value ONLY not the Tax Rates.

**Income qualification amount subject to change

WHEN IS THE DEADLINE TO APPLY?

The deadline for claiming the head of family, veterans, 100 percent disabled veteran's exemptions, as well as the valuation freeze is 30 days after the official date of mailing as indicated yearly on the Assessor's official "Notice of Value." Lea County typically mails notices on or around March 31st of each year. You can apply in person or by mail. Veteran Exemptions must be claimed in person.

All aspects and laws relating to property tax assessments are not covered in this informational advertisement. For more information on other topics please visit our website or call us.

4. CALCULATING YOUR TAX BILL

Taxes are billed and collected by the County Treasurer's Office.

ASSESSOR'S APPRAISED VALUE	TAXABLE VALUE	TAX RATE	TAXES DUE
\$150,000 ÷ 3 =	\$50,000	x .026340	= \$1,317.00

HOW EXEMPTIONS AFFECT YOUR VALUE

TAXABLE VALUE	\$50,000	Your Total Savings with Exemptions is \$158.04
HEAD OF FAMILY EXEMPTION	-\$2,000	
VETERAN EXEMPTION	-\$4,000	
TOTAL EXEMPTION	\$6,000	
NET TAXABLE VALUE	\$44,000	
NET TAXABLE VALUE x TAX RATE	\$44,000 x .026340	
NET TAXES DUE	\$1,158.96	

*Tax Rate = 2015 Tax Rate for School District 16 (In City Limits)

5. THE BIG QUESTION? WHY DID MY PROPERTY VALUE INCREASE 3% THIS YEAR, WHEN THE MARKET HAS BEEN DECLINING?

Most likely the value on your residential property assessment increased 3 % because the assessor's valuation has been capped in prior years while the market was increasing by much more than 3 %. It may have been capped between one and fifteen years, depending on how long you have owned your home. The law went in to effect in 2001. The assessor's capped value may be very low relative to the real time market value and therefore may not reflect the current market value, thus it must be re-appraised and increased by up to 3 % per year.

6. DISCLOSURE OF SALES PRICE

New Mexico law requires the disclosure of residential sales information to the County Assessor's Office. This must be accomplished by filing a notarized affidavit at the Assessor's office within thirty days of the date of filing a deed, real estate contract or memorandum of real estate contract with the County Clerk. All information collected is required to be kept confidential with the Assessor's office, and will not be made available as public information. Failure to comply with the law could result in a conviction of a misdemeanor and punishable by the imposition of a fine of not more than one thousand dollars (\$1,000).

7. REPORTING IMPROVEMENTS

All property owners who have made improvements to their real property in the preceding tax year, and costing more than \$10,000 must report this information to the Assessor's Office by the last day of February of each year. This includes all new construction such as: new homes, structures, additions, and any other changes or improvements. Please do not rely on outside parties such as title companies to complete this reporting requirement for you. Property that has not been reported may be subjected to the imposition of back taxes for up to ten years.

