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TREE FARM BULLETIN

PROPERTY TAXES ON TREE BEARING AGRICULTURAL LAND¹

By Matthew Silva, Chairman

In New Mexico, there are currently 171 tree farms enrolled in our Tree Farm Program. We have tree farms located in 15 of the 33 counties in New Mexico, with about a third in the 10-50 acres range, and the rest ranging from 50 to 5,000 acres. Most of our tree farms are in the Ponderosa Pine – Pinyon /Juniper vegetation type. We are very passionate about stewardship of our properties. Many of us are actively involved in various cost share projects, ranging from USDA conservation programs, state forestry assistance programs, tree planting projects, firewise and wildfire mitigation programs, promotion of forage for livestock, wildlife habitat restoration work and riparian restoration. Our endeavors benefit not only local economies, but also protection of the water quality in the watersheds throughout the state.

In early January, the county assessors notify property owners of the upcoming property valuations. These valuations include residential, commercial, business, and agricultural properties. Each category has taxes levied based on the valuation process. Under New Mexico Statutes and the New Mexico Administrative Code, tree farms may be categorized as agricultural.

Consistent with Section 7-36-20 NMSA 1978 of the State Statutes, the New Mexico Administrative Code outlines the special method of valuation for land used primarily for agricultural purposes (NMAC3.6.5.27). Section B of NMAC3.6.5.27 states, in its entirety:

B. AGRICULTURAL PROPERTY - BURDEN OF DEMONSTRATING USE ON OWNER:

(1) *To be eligible for the special method of valuation for land used primarily for agricultural purposes, the owner of the land bears the burden of demonstrating that the use of the land is primarily agricultural. This burden cannot be met without submitting objective evidence that:*

¹ This article is not intended to give legal advice. Rather it is intended to assist tree farmers by identifying the sections of the New Mexico Administrative Code that apply to agricultural property. Further, one should become familiar with the code in its entirety.

(a) the plants, crops, trees, forest products, orchard crops, livestock, captive deer or elk, poultry or fish which were produced or which were attempted to be produced through use of the land were:

(i) produced for sale or subsistence in whole or in part; or
(ii) used by others for sale or resale; or
(iii) used, as feed, seed or breeding stock, to produce other such products which other products were to be held for sale or subsistence; or

(b) the use of the land met the requirements for payment or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government; or

(c) the owner of the land was resting the land to maintain its capacity to produce such products in subsequent years

Further:

(5) Once land has been classified as land used primarily for agricultural purposes, no application for that classification is required for any succeeding year so long as the primary use of the land remains agricultural. The land will retain its status for property taxation purposes in every succeeding year as land used primarily for agricultural purposes.

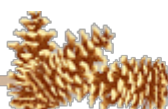
(6) When use of the land changes such that it is no longer used primarily for agricultural purposes, the owner of the land must report the change in use to the county assessor in which the land is located. A report by the owner that land classified as land used primarily for agricultural purposes in the preceding property tax year is not used primarily for agricultural purposes in the current property tax year rebuts the presumptions in Subsection A of Section 7-36-20 NMSA 1978. If subsequently use of the land again becomes primarily agricultural, the owner must apply for classification of the land as land used primarily for agricultural purposes.

The New Mexico Administrative Code makes it absolutely clear that trees are an agricultural product. As clearly stated in Section D:

D. AGRICULTURAL PRODUCTS DEFINED: *The phrase “agricultural products” as it is used in Section 7-36-20 NMSA 1978 and regulations under the Property Tax Code means plants, crops, **trees, forest products** (emphasis added) orchard crops, livestock, captive deer or elk, wool, mohair, hides, pelts, poultry, fish, dairy products and honey.*

Roughly one half of our tree farmers have agricultural property that meet the requirements for valuation as grazing land and are taxed accordingly. The other half could be eligible for valuation as a tree farm. The deadline for notifying the county assessor of your request for agricultural status is the end of February. Then, pay careful attention to the valuation notice sent out in March. If you disagree with the valuation, you have the right to protest and have a board hear your case.

One of our tree farmers in Taos County, Hart and Utilia Alex, recently went through this process. While the discussion may have been a bit contentious at times, there were valuable lessons.



Thankfully, they openly and generously shared their experience. I was struck by one priceless observation. The board hearing their appeal also included two representatives from the Department of Taxation and Revenue. I was delighted to learn that Hart and Utilia's appeal was successful and they were able to obtain a fair classification and valuation.

1) BUY, SELL OR TRADE

Are you looking for forestry related equipment to buy (i.e. chipper, splitter, chainsaw, etc.)? Or, do you own forestry related equipment you would like to sell or trade? Forestry related equipment only, please, no homes or land. We would like to help you make the connection with other New Mexico Tree Farmers. Provide us with a description of the equipment, price, photo and contact information and we will post it in the New Mexico Tree Farm Bulletin. If you would like us to help you make the connection, please provide information to Arnie Friedt at arnie.friedt@state.nm.us

2) COMMUNITY CORNER

If your community is having a forestry related public event let us know the details and we would be delighted to promote your event in the New Mexico Tree Farm Bulletin. Give us the event details, Who, What, Where and When with contact information and we will include in our monthly bulletin. If you would like us to help you promote your event, please provide information to Arnie Friedt at arnie.friedt@state.nm.us

3) E-MAIL INSTEAD OF SNAIL MAIL

Would you prefer to receive your Tree Farm Bulletin by e-mail instead of snail mail? If so, contact Doug Boykin at doug.boykin@state.nm.us and provide him with your contact information. By receiving your Tree Farm Bulletin by e-mail our operating costs are reduced. Thank you for considering this option.

4) COMMITTEE MEETING Out-of-towners! It is on a Friday!!!

All Tree Farmers are invited and encouraged to attend our 1st New Mexico Tree Farm Committee Meeting of the year (three held annually). Please join us at 1:30 pm on Friday, March 16th, 2018 at the New Mexico Department of Game and Fish office located at 3841 Midway Place NE, Albuquerque, NM. Come out and hear what other tree farmers have been up to and share your tree farm accomplishments with the group. We look forward to visiting with you. If you have any questions, please contact Arnie Friedt at arnie.friedt@state.nm.us

