

## Council Meeting Staff Report

September 6, 2016

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<b>Agenda No.:</b>	B.
<b>Indexes (Council Goals):</b>	2016 Council Goal – Quality Governance – Operational Excellence – Manage Commercial Growth Well Following an Updated, Concise, and Consistent Comprehensive Plan
<b>Presenters:</b>	Joe D'Anna
<b>Legislative File:</b>	8522-16

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### Title

Adoption of Property Tax Rates for Calendar Year 2016 as Certified by the State Department of Finance and Administration.

### Recommended Action

**I move that Council adopt the official 2016 Certificate of Property Tax Rates prepared by the State Department of Finance and Administration, Local Government Division shown in Attachment A and forward notification of this adoption to the County Assessor.**

### County Manager's Recommendation

The County Manager recommends that Council approve the certificate of property tax rates as requested.

### Body

In accordance with 7-3-38, NMSA 1978, the State of New Mexico Department of Finance and Administration (DFA) must calculate and certify property tax rates for all taxing entities within the State by September 1 of each year. The attached copy of the Certificate of Tax Rates from DFA (Attachment A) provides the 2016 property tax rates as calculated for all governmental units within the County sharing in the total tax levy and in accordance with the Property Tax Code.

The state statutes (7-38-34, NMSA, 1978) require that within five days of receipt of the order, the Board of County Commissioners (our County Council) must issue a written order imposing the tax at the rates certified by DFA and set the net taxable value of property allocated to the appropriate governmental units. A copy of that order is to be delivered immediately to the County Assessor for preparation of the tax schedule before October 1st.

Attachment B compares changes in the residential and non-residential mill levy rates for tax years 2015 and 2016. The total levied residential rate decreases by .056 mills, or -.23%, and the total levied non-residential rate increases by .079 mills or .29%. The main factor contributing to the rate changes is the State's application of the "yield control" formula that controls the actual change in tax revenue growth (see Attachment C for a full discussion of this process).

The net assessed valuation of residential property increased \$10,156,850 or 1.7% from \$580,968,810 in 2015 to \$591,125,660 in 2016. Non-residential assessed valuation decreased by \$2,547,486 or -2.6% from \$98,814,305 in 2015 to \$96,266,819 in 2016. Attachment B also shows examples of the total taxes due on various levels of property within the County. Individual taxpayers should not assume that their tax bills will change by the same percentage shown on attachment B because changes in individual property valuation are not constant and will affect individual tax bills.

### Alternatives

State law does not appear to provide an alternative to this Council action.

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### **Fiscal and Staff Impact/Planned Item**

Attachment B shows County total revenue projected from these rates to be \$6,960,660 based upon a 99% collection factor. After the schedule is delivered, the Accounts Receivable staff will prepare tax bills and mail them before November 1, 2016. The first installment of the bills becomes delinquent after December 10, 2016 and the second installment after May 10, 2017. These are normal work items in the Assessor's Office and the Finance Division.

### **Attachments**

A - Certificate of 2016 Property Tax Rates

B - Property Taxes - Comparison of Rates, Values and Revenues - Tax Years 2015 and 2016

C - Property Taxes - Imposed Rates vs. levied Rates