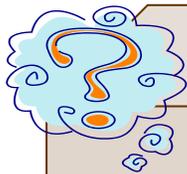


PROPERTY TAX RATES are the total of a complex set of factors and calculations. Many different governmental units or subdivisions (taxing authorities) can impose property taxes. Each individual taxing authority has limitations to its authority set by State law. Taxing authorities that contribute to the total property tax rate include: the State, the County, municipalities, school districts, the Community College, water and sewer districts, and special assessment districts. Rates also differ between residential and non-residential property within each taxing authority's jurisdiction.

YOUR PROPERTY TAX RATE also includes the repayment of General Obligation bonds. A General Obligation bond is governmental debt which is repaid with property taxes. Because debt repayment comes from property taxes it impacts property tax rates. General Obligation bonds are sold to finance major infrastructure projects such as water and sewer lines, roads, fire stations, etc.

BECAUSE OF THE DIFFERENT TAXING AUTHORITIES, your property tax rate may be very different from your family or friends who live in a different part of Santa Fe County. The municipality in addition to the school district and any special assessment districts in which you live all play a role in the tax rate for your property.



WHAT IS A MILL RATE?

A "mill rate" is the amount of property tax paid per \$1,000 of taxable property value. One (1) mill is \$1.00 of property tax per \$1,000 of taxable value.

There are three independent entities that impact the Santa Fe County Operational Mill Rate.

By State law only one of them actually sets the rates.

Board of County Commissioners

County Assessor

The State of New Mexico sets the property tax rates.



In Santa Fe County the Board of County Commissioners (BCC) imposes the operational mill rates for residential (R) and non-residential (NR) properties subject to a maximum rate set by State Statute. The maximum rate is 11.85 mills

Santa Fe County **HAS NOT INCREASED** the imposed property tax mill rate since FY 2000. The imposed rate currently stands at 11.85 mills for both R and NR property.

The County Assessor establishes the *assessed value* and *taxable value* of each property. The assessed value is determined utilizing manual and computer assisted appraisal techniques. The taxable value is 1/3 of the assessed value less any exemptions for which the property owner qualifies. A property owner may *protest* her/his assessed value.

The County Assessor is required by State Statute to maintain "correct and current" property values for purposes of property taxation. The Assessor annually certifies the property valuations of all residential (R) and non-residential (NR) property within the County's borders, and submits that certification to DFA.



DFA utilizes information provided by the County Assessor to perform a series of calculations to determine its computed property tax rate before it sets property tax rates. The rate set will be the **LESSER** of the rate imposed by the BCC or the DFA computed rate.

The calculation that DFA uses to determine the property tax rate is complex. It utilizes information from the previous tax year's valuation and the current year's valuation and calculated "tax effort" as well as an inflationary factor and a calculated "growth factor."



Santa Fe County Mill Rates

TWO TAXES contribute to your overall property tax rate in Santa Fe County: the operational mill rate and the debt service mill rate. The debt service mill rate is determined based upon the amount of debt payments the County must make during the coming year. Santa Fe County structures its debt payments in a manner to maintain a stable debt service mill rate, i.e. annual amounts do not cause a large fluctuation in the rate.

The information contained in this brochure focuses on the Santa Fe County Operational Mill Rate for any given Tax Year which runs from November 1 to October 31.

HOW ARE PROPERTY TAX RATES CALCULATED?

DFA uses a complex series of calculations to determine its computed property tax rate for both R and NR properties. Although it is the same calculation for each the results are very different. Increases or decreases in property VALUES drives tax rates. Higher values generally mean lower rates and vice versa.



Yield Control (Computed Tax Rate)

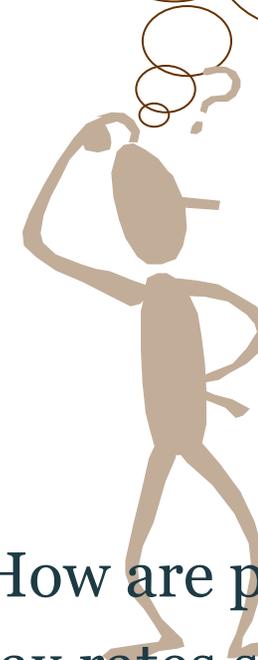
$$\begin{aligned} & \text{Prior Year Tax Effort*} \\ & \times \text{Growth Factor**} \\ & = \text{Current Year Tax Effort} \\ & / \text{Sum of Current Year Unprotected Valuation and} \\ & \quad \text{State Assessed Property} \\ & \quad \times 1,000 \\ & = \text{Yield Control (Computed Rate)} \end{aligned}$$

This **computed** rate is compared to the **imposed** rate and the **LOWER** rate becomes the operational property tax mill rate for the new tax year.

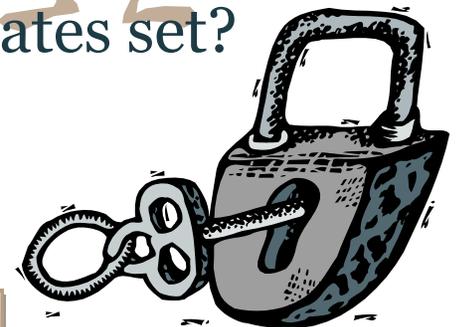
PROPERTY TAXES



Who changed my property tax rate?



How are property tax rates set?



WHAT OPERATIONS DOES THE OPERATIONAL MILL FUND?

The operational mill funds a variety of County services including those provided by Elected Officials, the County Manager and Legal Offices, Land Use, Public Works, Senior Programs and other community services. It also funds administrative services such as Finance, HR, IT and Purchasing.

PRIOR YEAR TAX EFFORT*

$$\begin{aligned} & \text{Prior Year Tax Rate} / 1,000 \\ & \times \text{Prior Year Base Value} \\ & = \text{Prior Year Tax Effort} \end{aligned}$$

GROWTH FACTOR**

$$\begin{aligned} & \text{Previous Year Base} \\ & + \text{Net New Valuation} \\ & \quad (\text{Additions less Deletions}) \\ & / \text{Previous Year Base} \\ & = \text{Growth in New Construction} \\ & + \text{Inflation Factor} \\ & = \text{Growth Factor} \end{aligned}$$

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