

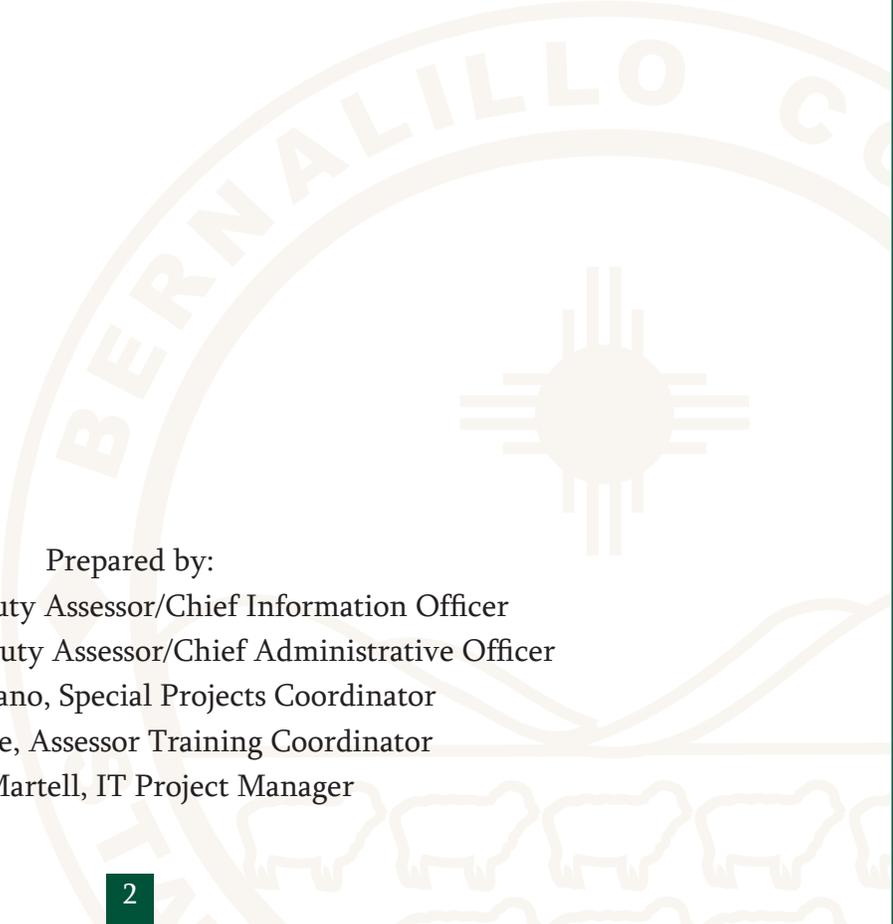


BERNALILLO COUNTY

**Property Valuation
Maintenance Program**
*for Fiscal Year 2016
& Annual Report
for 2015*



BERNALILLO COUNTY ASSESSOR'S OFFICE
Tanya R. Giddings, County Assessor



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Message from the Assessor **"Commitment to our Community"**

I share, with great enthusiasm, the 2015 accomplishments of the Bernalillo County Assessor's Office and continue our commitment to the community in providing fair and equitable assessments as detailed in our property valuation maintenance program.

The Bernalillo County Assessor's Office is the largest of the thirty-three counties in the state. While Bernalillo County may be the third smallest in square footage, it is the most populated of all the counties. We continue to serve property owners and the residents of Bernalillo County by providing effective and efficient services that assist the public in understanding their property valuations and address their concerns. I will continue to maintain trust, integrity and transparency with the public, and treat all property owners fairly and equitable.

This commitment to community outreach, property owner education and hands-on assistance is underscored by our Education & Outreach Program, which received a 2015 National Association of County (NACo) Achievement Award. I have also instilled an office culture of professionalism, where each employee prides themselves in being a good steward of public tax dollars. I have invested in effective staff training and state of the art technology to better assist property owners and ensure the most current and correct appraisal assessments. Similarly, our use of technology was recognized as best practices and given Tyler Technologies' 2015 Public Sector Excellence Award. Our actions yielded an outstanding return on investment by reducing the amount of valuation protests filed by property-owners by 23% in my first year in office and an additional reduction of 13.5% in my second year.

As a result of last year's efforts the net taxable valuations for residential properties in the Notice of Value increased from \$11,047,822,029 in 2014, to \$11,308,261,278 in 2015 for an increase of 2.3574%. Notably, the net taxable valuations for non-residential properties declined only slightly from \$3,391,822,916 to \$3,364,115,280 for a decrease of -.81689%. The near stabilizing of the net taxable valuations for non-residential properties is attributed to the efforts made to create a level playing field for all business owners by increasing education and compliance with business equipment reporting. The total net taxable value increased from \$14,439,649,945 in 2014 to \$14,672,376,558* in 2015 for an overall increase of 1.6118%. The revenue generated by this value ensures the delivery of central services and pertinent infrastructure for the property owners and residents of Bernalillo County.*

It is both a great responsibility and an honor to be your Assessor. I thank my entire team and a hard working professional staff for their dedication and commitment in performing their duties and for providing you with the highest level of public service. Therefore, I am honored to present the 2015 Annual Report with the Fiscal Year 2015/2016 Property Valuation Maintenance Program, which meets the requirements of NMSA 7-36-16.

If you have any suggestions on how we might serve you better, please let me know.

Sincerely,

*Tanya R. Giddings
County Assessor*

**This number was adjusted on 3/31/2016*

Mission

The mission of the Bernalillo County Assessor's Office is to administer the New Mexico State Constitution and the New Mexico Property Tax Code in order to accurately and impartially value all taxable property in Bernalillo County and to maintain trust, integrity and transparency with the public by ensuring the fair and equitable treatment of all property owners and taxpayers.

Statutory Responsibility & Authority of the Assessor's Office

The County Assessor's responsibility is to locate and identify the ownership of all taxable property in the county, determine the property value of homes, businesses, business equipment, vacant and agricultural land, livestock and all other taxable property within the county; and to notify property owners of established value, list the value of all property on the assessment roll, and apply all legal exemptions. Pursuant to NMSA 7-36-16, the responsibility of county assessors is *to determine and maintain current and correct values of property.*

Pursuant to NMSA 7-36-16.A, the County Assessors shall determine values of property for property taxation purposes in accordance with the Property Tax Code and the regulations, orders, rulings and instructions of the Taxation and Revenue Department. Except as limited in NMSA 7-36-21.2, County Assessors *shall also implement a program of updating property values so that current and correct values of property are maintained and shall have sole responsibility and authority at the county level for property valuation maintenance*, subject only to the general supervisory powers of the director.

Pursuant to NMSA 7-36-16.D, the Department of Finance and Administration *shall not approve the operating budget of any county in which there is not an adequate allocation of funds to the county assessor for the purpose of fulfilling the responsibilities for property valuation maintenance program.* If the Department of Finance and Administration questions the adequacy of any allocation of funds for this purpose, it shall consult with the Taxation and Revenue Department, the Board of County Commissioners and the County Assessor in making its determination of adequacy.

Pursuant to NMSA 7-36-16.E, to aid the Board of County Commissioners in determining whether the County Assessor is operating an efficient property valuation maintenance program and in determining the amount allocated for this function, *the County Assessor shall present an annual budget and a written report (also known as an annual report)* setting forth improvements of property added to valuation records during the year, additions of new property to valuation records during the year, increases and decreases of valuation during the year, the relationship of sales prices of property sold to values of the property for property taxation purposes and the current status of the overall property valuation maintenance program in the county.

Pursuant to NMSA 7-38-38.1.D, expenditures from the county property valuation fund *shall be made pursuant to a property valuation program presented by the County Assessor* and approved by the majority of the county commissioners. The Assessor is responsible for presenting an operating budget with an adequate allocation of funds to fulfill the responsibilities and duties of the Assessor's Office.

PROGRAM OPERATING BUDGET

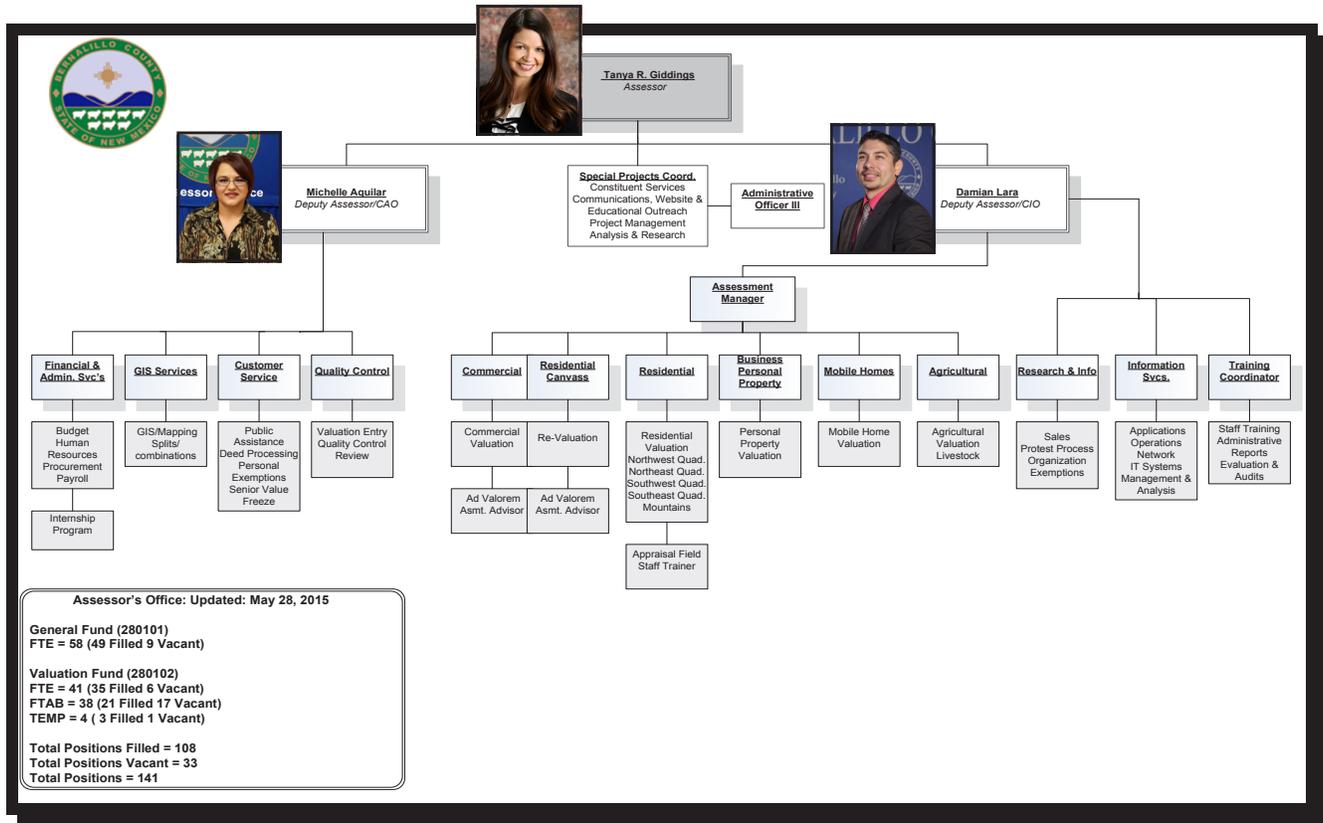
The Bernalillo County Assessor's Office consists of two funding sources; the general fund and the revaluation fund. The general fund revenue comes from general county contribution and the Assessor's Office fees for items such as sale of maps, data CD's and requested parcel data. The general fund appropriations are used to cover all expenditures, except those for which special statutory requirements demand separate accounting. For FY15, the general fund expenditures are a proposed budget of \$2.7 Million.

The revaluation fund revenue comes from a 1% Appraisal Fee from property tax collections pursuant to NMSA 7-38-38.1. The revaluation fund appropriations are used to cover all items specifically allocated for the property valuation program. Pursuant to NMSA 7-38-38.1.D, the expenses must be related to maintain and re-value current property records of all residential and non-residential properties. For FY15 the revaluation fund expenditures are a proposed budget of \$5.6 Million.

Salary adjustments were implemented during the fiscal year to address the consistently high vacancy rate and in order to retain and recruit quality staff. A comparison of job classifications and corresponding compensation with surrounding and comparable counties was conducted and adjustments were made as appropriate and for which support and justification allowed.

Bernalillo County Assessor's Office FY16 Proposed Budget			
	FY14 Actuals	FY15 Approved	FY16 Proposed Budget
Revenues			
11001 General Fund			
Assessor Fee	4,683	2,000	2,000
General Fund Contribution	2,346,797	2,740,604	2,751,329
Total General Fund	2,351,480	2,742,604	2,753,329
12004 Reappraisal Fund			
1% Appraisal Fee	5,685,524	5,600,000	5,600,000
Fund Balance Appropriation		213,850	
Total Reappraisal Fund	5,685,524	5,813,850	5,600,000
Total Revenues	8,037,004	8,556,455	8,353,329
Expenditures			
11001 General Fund			
Salary and Benefits	2,297,803	2,652,105	2,653,528
Operating	52,716	87,000	96,301
Elected Official Travel	962	3,500	3,500
Total General Fund	2,351,480	2,742,605	2,753,329
12004 Reappraisal Fund			
Salary and Benefits	2,258,154	2,284,758	2,815,664
Terms- Field Canvass Project		148,058	94,975
Operating	1,227,783	1,749,156	1,834,661
Total Reappraisal Fund	3,485,937	5,514,495	5,600,000
Total Expenditures	5,837,417	8,257,100	8,353,329

ORGANIZATION CHART AND STAFFING LEVELS



Employee Count By Department

2015						
Department	Full Time Positions			Term/Temp Positions		
	Filled	Vacant	Total	Filled	Vacant	Total
Administrative	9	3	12	5	1	6
Appraisal: Agricultural Property	3	0	3	1	0	1
Appraisal: Commercial Property	8	1	9	1	0	1
Appraisal: Residential Property	32	3	35	1	8	9
Business Personal Property	3	2	5	0	0	0
Data Entry/Coding/Customer Service	9	3	12	0	0	0
Field Canvass Project	2	0	2	16	9	25
GIS/Mapping	5	1	6	0	0	0
Manufactured Homes	5	0	5	0	0	0
Protest Authorizations/Sales Information	3	2	5	0	0	0
Quality Control	4	1	5	0	0	0
Total Assessor's Office	83	16	99	24	18	42
Total General Fund	48	10	58	0	0	0
Total Valuation Fund	35	6	41	24	18	42

PROPERTY TAX CODE CALENDAR

Date	Subject	NMSA 1978
January 1	Valuation date	7-38-7
January 1	Special method of valuation; livestock	7-36-21
January 1 - 21	Publication of notice	7-38-18
February - March	Director's supervisory power over county assessors - duty to evaluate performance and provide technical assistance - property valuation fund created	3.6.3.8
Last Day of February	Special method of valuation; manufactured homes	7-36-26
Last Day of February	Reporting of property for valuation; penalties for failure to report	7-38-8
Last Day of February	Statement of decrease in value of property subject to local valuation	7-38-13
Last Day of February	Presumption of nonresidential classification; declaration of residential classification	7-38-17.1
March 15	Verification of the dollar amount of veteran exemption claimed New Claims	3.6.7.25 F-2
April 1	County Assessor and department to mail Notice of Valuation	7-38-20
May 1	Alternate mailing date to mail Notice of Valuation - requires County Assessor approval	7-38-20
May 1	Verification of the dollar amount of veteran exemption claimed - All Claims	3.6.7.25 F-2
NOV Date Plus 30 Days	Protesting values, classification, allocation of values and denial of exemption or limitation on increase in value determined by the county assessor	7-38-24
NOV Date Plus 30 Days	Claiming exemptions; requirements; penalties (Contingent effective date, See note)	7-38-17
NOV Date Plus 30 Days	Special method of valuation; claiming exemption for land used primarily for agriculture purpose	7-36-20
June 1	Department to allocate and certify valuations to county assessor	7-38-30
June 15	County assessor to certify net taxable values to the department	7-38-31
June 30	Department to prepare a compilation of net taxable values to be used for budget making and rate setting	7-38-32
July 1	Responsibility of county assessors to determine and maintain current and correct values of property	3.6.5.23
August 1	Department to prepare a compilation of net taxable values to be used for budget making and rate setting - Amended per protest	7-38-32
September 1	Department of finance and administration to set tax rates	7-38-33
Tax Rate Order Plus 5 Days	Board of county commissioners to order imposition of the tax	7-38-34
October 1	Preparation of property tax schedule by assessor	7-38-35
October 1 - November 1	Preparation of mailing of property tax bills	7-38-36
Due Date Plus 60 Days	Claims for Refund; civil action	7-38-40
December 1	Limitation on increase in value for single-family dwellings occupied by low-income owners 65 years of age or older or disabled (PTD Order)	7-36-21.3
December 1	Special method of valuation; livestock (PTD Order)	7-36-21

PROPERTY VALUATION MAINTENANCE PROGRAM

Program Purpose and Outline

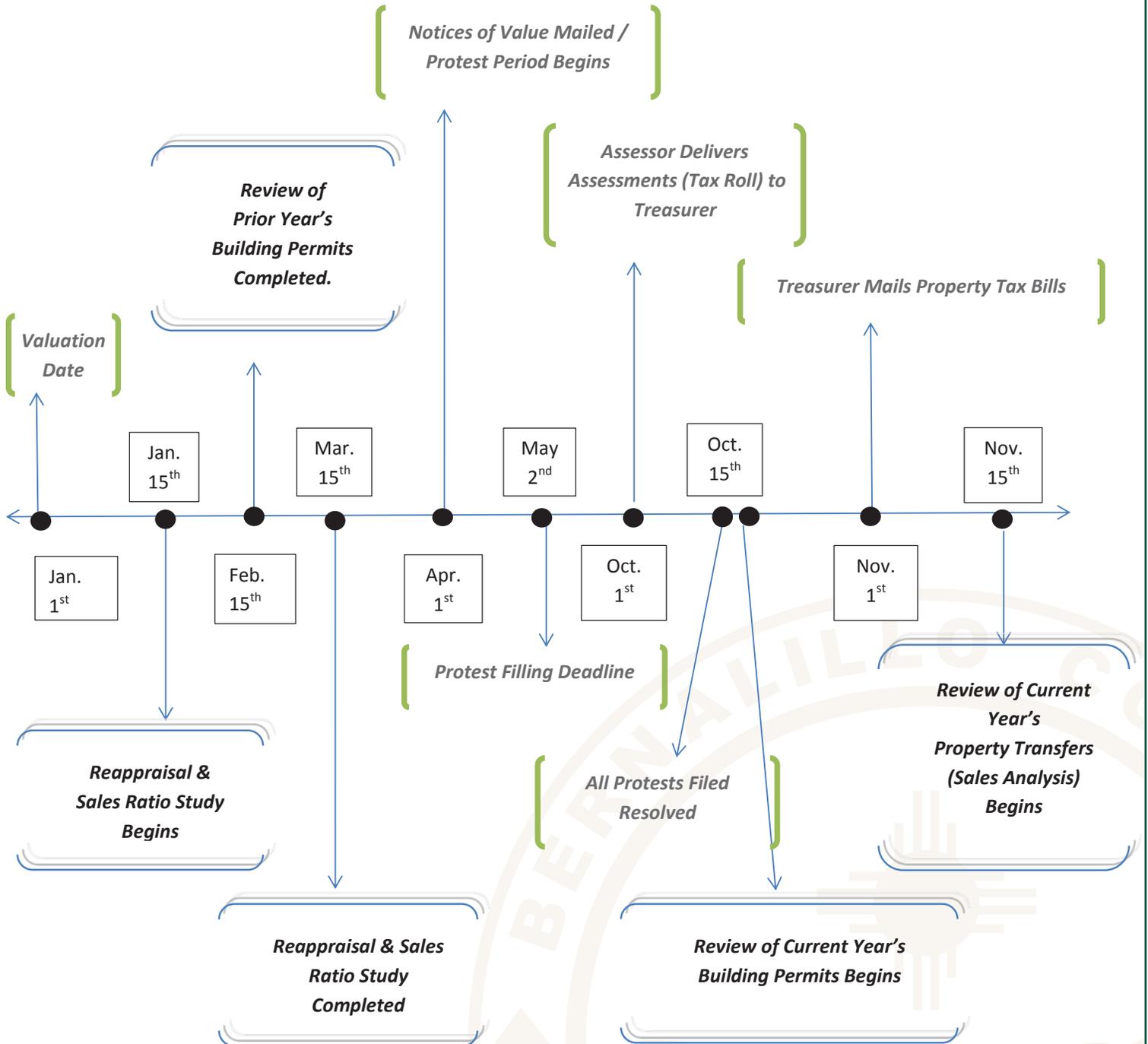
In order to maintain current and correct property values the Assessor's Office implements a program that includes collecting and maintaining relevant information in order to apply appropriate statutory valuation methods. The program outline for 2015 -2016 is as follows:

- Program Purpose: Maintain Valuation of Approximately 285,000 Parcels
- Program Outline
 - Process and Review Approximately 8,500 Residential & Non-Residential Real Property Transfers
 1. Conduct a Sales Ratio Study to Establish Current and Correct Property Values
 2. Reappraisal of Residential Real Property as Necessary
 3. Maintain Current and Correct Non-Residential Real Property Values
 - Process and Review Approximately 6,000 Residential & Non-Residential Real Property Building Permits
 1. Field Check Approximately 6,000 Real Property Building Permits
 2. Add New Construction Value for Approximately 3,200 Completed Building Permits
 - Reappraisal and Maintenance of Personal Property
 1. Process and Review Approximately 3,000 Business Licenses and Building Permits
 2. Process, Review and Value Approximately 20,000 Business Equipment Reports
 3. Process, Review and Value Approximately 15,000 Manufactured Homes
 4. Process, Review and Value Approximately 800 Livestock Rendition Reports
- Establish An Operating Budget
 - A. General Fund Maintenance Program Budget of Approximately \$2.7 Million
 - B. Revaluation Fund Reappraisal Program Budget of Approximately \$5.6 Million

Program Components

• RESIDENTIAL	Count	Start Date	End Date
Sales Analysis	8000	15-Nov	16-Feb
Building Permits	4500	15-Oct	16-Feb
Reappraisal of Sales	8000	15-Jan	16-Mar
Reappraisal of Permits	2000	15-Oct	16-Feb
Protests	3000	16-May	16-Oct
• NON-RESIDENTIAL	Count	Start Date	End Date
Sales Analysis	500	15-Nov	16-Feb
Building Permits	1500	15-Oct	16-Feb
Reappraisal of Permits	1200	15-Oct	16-Feb
Protests	2200	16-May	16-Oct
• PERSONAL PROPERTY	Count	Start Date	End Date
Building/License Permits	3600	15-Sep	16-Mar
Reappraisal of Permits	2750	15-Sep	16-Mar
Protests	100	16-May	16-Oct

PROGRAM TIMELINE



PROGRAM COMPONENTS: DEPARTMENTS OF THE ASSESSOR'S OFFICE

Customer Service

The Customer Service Department is comprised of three main operational components. These components are comprised of: 1) Data Entry; 2) Coding Documents of Conveyance; and 3) Veterans Exemptions and Value Freeze. These three inter-linked components work in unison to ensure that the Assessor's Office has the identified the correct property owner's information in the database. The first two duties of the Assessor's Office begin with Customer Service. Without well trained and dedicated Assessor Technicians the Assessor's Office would not be able to identify the ownership of all taxable property in the county and then locate that property.

The State Statutes that the Customer Service Department follows include:

- NMSA §7-37-4; Head of Household exemption
- NMSA §7-37-5; Veteran's exemption
- NMSA §7-37-5.1; Veteran's exemption is exempt from property taxation.
- NMSA §7-36-21.2; Limitation on increases in valuation of residential property.
- NMSA §7-36-21.3; Limitation on increase in value for single-family dwellings occupied by low-income owners sixty-five years of age or older or disabled;

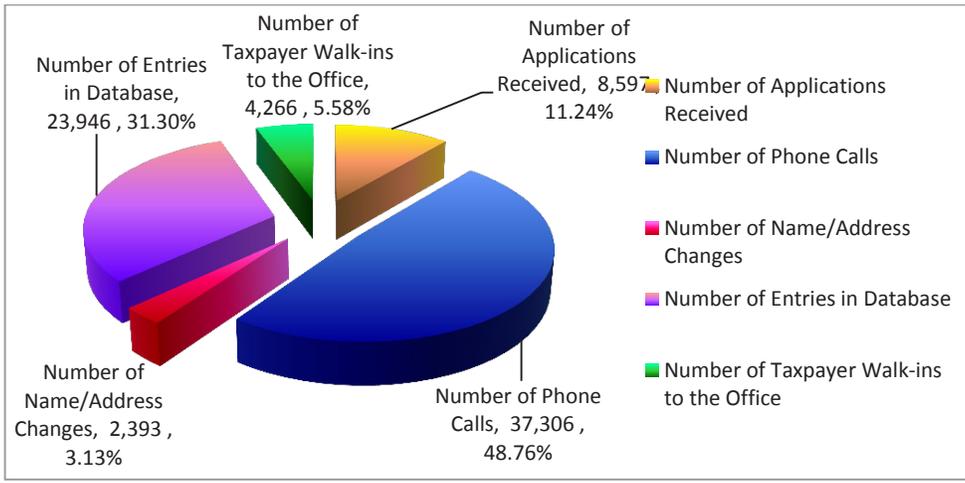
2014 Accomplishments

In order to adequately implement the program and plan for the coming year historical data and workload are review and any trends from the prior year are contemplated. For Customer Service Department the 2014 actual workload is as follows:

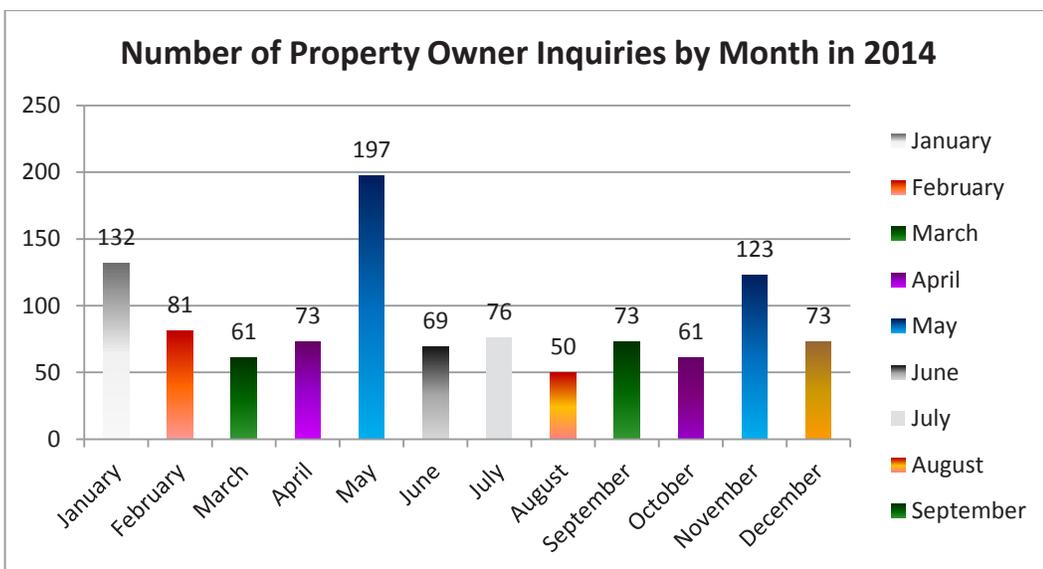
- Handled 37,306 incoming phone calls
- Entered 23,946 taxpayer transactions into database
- Received 8,597 taxpayer applications
- Received 4,266 walk-in taxpayers to the office
- Processed 2,393 taxpayer address/name change application
- Held 34 such outreach events

Program Plan Goals

- Complete all transaction types within five business days after receipt.
- Revise documentation on procedures for processing exemption applications.
- Reduce the percentage of "translogs" (re-working of document processing).



This chart summarizes the operational activities the Customer Service Department staff focused on in 2014. Each "Pie Slice" illustrates the activity as well as the percentage of their efforts dedicated to each year.



Total inquiries for 2014 were 1,069, with an average turnaround rate of 3.7 Days (this includes weekends).

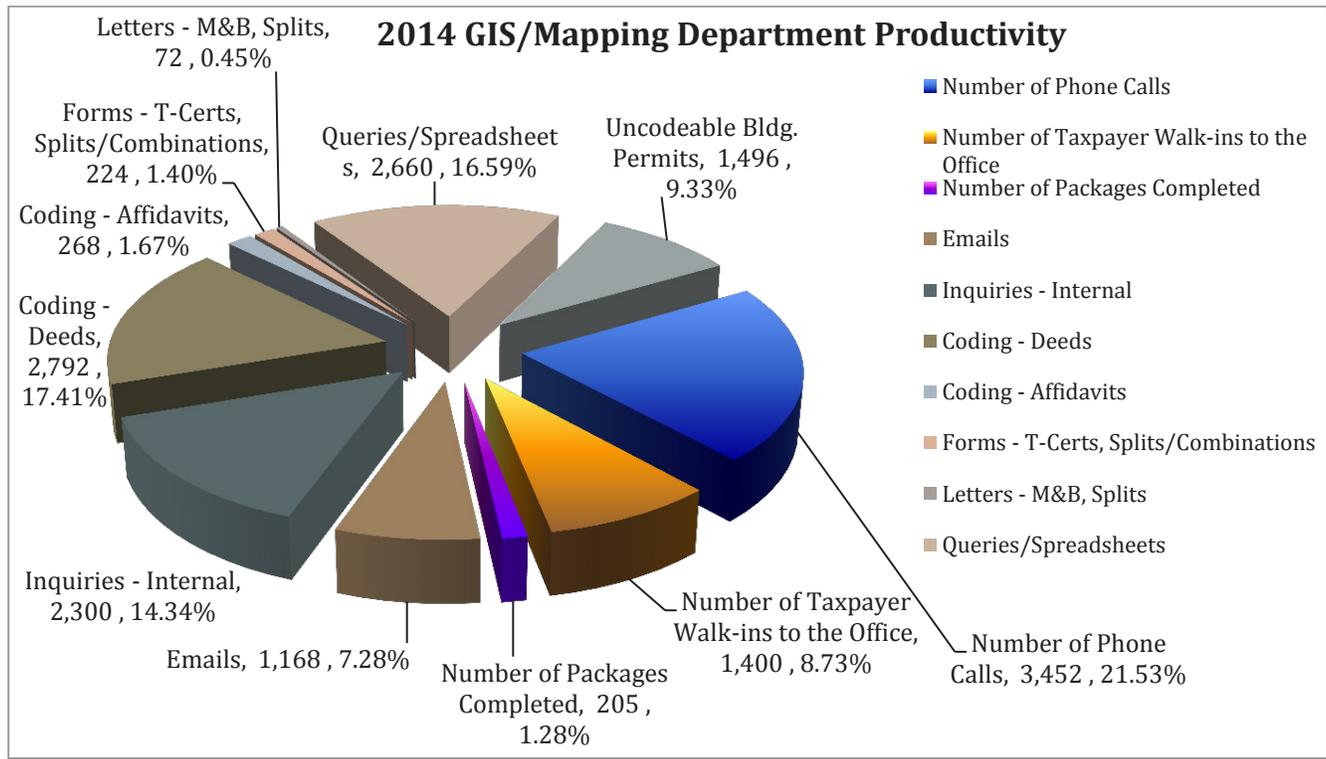
GIS Parcel Mapping & Maintenance

The main responsibility of the GIS/Mapping Department is to locate real property in Bernalillo County. This department provides parcel and spatial database management of all real property located within the boundaries of Bernalillo County for development and operation of the Geographic Information System. Key aspects of GIS/Mapping include planning, analysis, technical design, database design, data acquisition, hardware and software acquisition, and communication with the appraisers, management, tax payers and other government entities. It is also responsible for creating documentation that is called "Packages." This documentation is the supporting evidence for establishing new parcels within the county, or deleting parcels from the county's assessment rolls. The importance of this process is the accuracy of the Assessor's database for the annual mailing of Notices of Value (NOV's). If the packages are not completed on time, then NOV's may not be mailed to parcels that exist or to parcels that no longer exist.

The Statute that the GIS/Mapping Department most adheres to is NMSA §7-38-9; Description of property for property taxation purposes.

2014 Accomplishments

Similarly this department must assess its prior year's workload to anticipate staffing and resource needs in the coming year. Most notably, the department processed and completed 196 packages for 2015 and 205 packages for 2014. All packages completed by deadline. The chart below summarizes the operational activities the staff of the GIS/Mapping Department focused on in 2014.



Program Plan Goals

- Update parcel data reflected on the parcel map on the Assessor's web page for improved information to taxpayers.

Research and Information

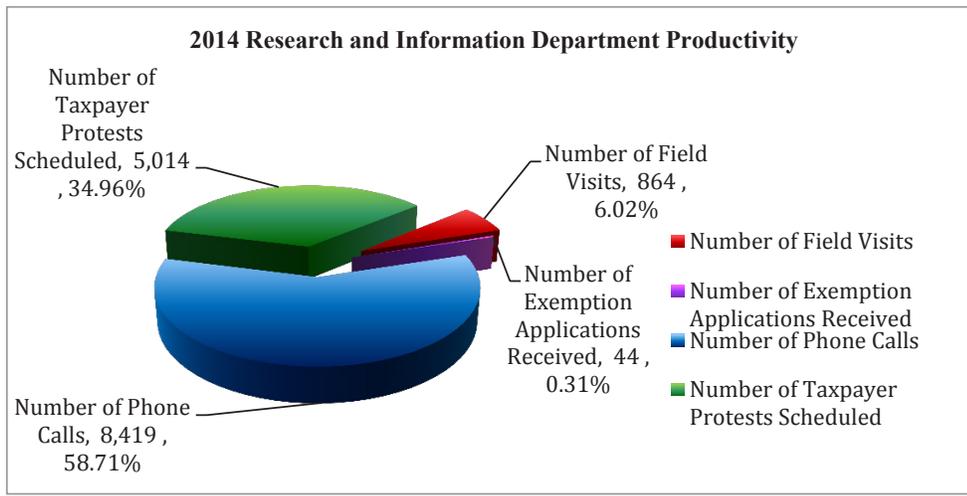
The Research and Information (R&I) Department manages a database of every exempt parcel in Bernalillo County that does not fall under the Centrally Assessed category (such as railroads, railroad cars, microwave towers, telephone cooperatives, natural gas and electric utilities, electric cooperatives, natural gas pipelines and airlines). The department reviews submitted applications to insure compliance with statutory requirements, pursuant to §7-38-17 NMSA 1978.

The department makes recommendations based on its findings and research to the Assessor, to grant or deny, partial or total, tax exempt status to subject organizations. The department prepares letters of notification to organizations, and internal Amendment Authorizations for the Assessor's signature. All properties that qualify for the exemption are field checked the first year that the property owner makes application for exempt status. The exemptions that fall under the preview of the R&I Department include governmental, educational, charitable and religious. The total financial value of exempt properties is \$10,281,150,387.

2014 Accomplishments

A property owner may protest the value or classification determined for their property for property taxation purposes. The R&I Department is tasked with the scheduling all property owner protests in addition to processing and reviewing organizational exemptions. The 2014 workload is as follows:

- Scheduled 5,014 taxpayer property valuation protests
- Handled 8,419 incoming phone calls
- Conducted 864 filed visits
- Received and reviewed 44 exemption applications



The chart to the left summarizes the operational activities the staff of R&I Department focused on in 2014.

Program Plan Goals

- As Notices of Value (NOV's) are customarily mailed out on April 1st of each year, one of the department's critical goals is to have all protests requested by property owners scheduled by the end of April. Irregularly, due to extenuating circumstances, the department may need additional time to complete this commission.

Appraisal Divisions

Commercial Appraisal

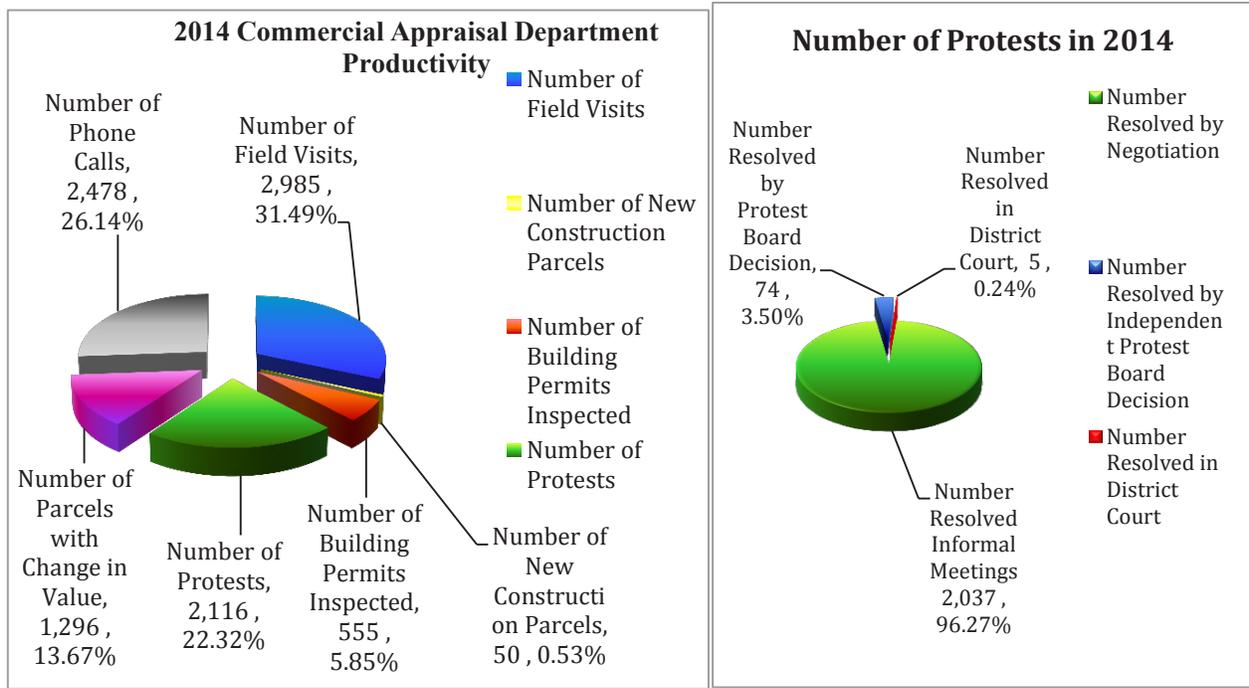
The Commercial Appraisal Staff is responsible for discovery, listing, and appraising commercial properties, which is defined as property used for retail, office, industrial, or multi-family (5+ apartment units) parcels, gathering sales data and assisting the property owners as necessary in related matters. Valuation is derived by measuring land and buildings, gathering building component data and sales data, and completing all necessary paperwork for purposes of supporting documentation.

State Statutes that the Commercial Appraisal Department follows regarding this initiative include:

- NMSA §7-36-15 Methods of valuation for property taxation purposes; general provisions.
- NMSA §3.6.5.22 Methods of valuation for property taxation purposes; general provisions.
- NMSA §7-36-16 Responsibility of County Assessors to determine and maintain current and correct values of property.
- NMSA §3.6.5.23 Current and correct values of property defined.

2014 Accomplishments

A critical goal of the Commercial Appraisal Department every year is to address and resolve all property valuation protests filed by either commercial property owners or their designated agent. Protests result when a property owner disagreeing with the values reflected on their Notice of Value. The additional workload for the department is reflected in graph below.



The total financial value of the process is \$10,026,668,620, with a taxable value of \$3,338,880,650.

As 96+% were resolved by negotiation between the Assessor's Office and the protestant, this indicates a significant savings of funds and time dedicated to this activity. For calendar year 2014, 2,116 protests were filed and 2,037 (96.27%) were resolved through informal meetings between the Commercial Appraisal Department and the property owner or their designated agent. This is a successful resolution rate of ninety-seven percent. Additional workload includes:

- Performed 118 sales analyses on residential parcels.
- Reviewed 1,415 building permits
- Performed 1,197 re-appraisal of building permits
- Conducted 2,116 property valuation protests inquiries

Program Plan Goals

- Perform 120 sales analyses on residential parcels.
- Review 1,500 building permits
- Perform 1,200 re-appraisal of building permits
- Conduct 2,200 property valuation protests inquiries
- Canvass 10,523 commercial parcels by the end of 2015.

Residential Appraisal

Residential appraisal staff is responsible for appraising new construction and additions for residential, multi-family and light commercial properties. The Residential Appraisal Department performs field checks on single and multi-family units, apartments, town houses and condominiums to verify required data for accurate valuation and recording of such properties. Valuation is derived by measuring land and buildings, gathering building component data and sales data, and completing all related documentation.

Per IAAO (International Association for Assessment Officers) standards and by accepted Ad Valorem appraisal practices referenced in the New Mexico State Statutes (7-36-15 NMSA 1973; Regulation 3.6.5.23 (C)), all properties within a jurisdiction should be inspected and reappraised on a consistent cycle of every four to six years. State Statutes that the Residential Appraisal Department follows regarding this initiative include:

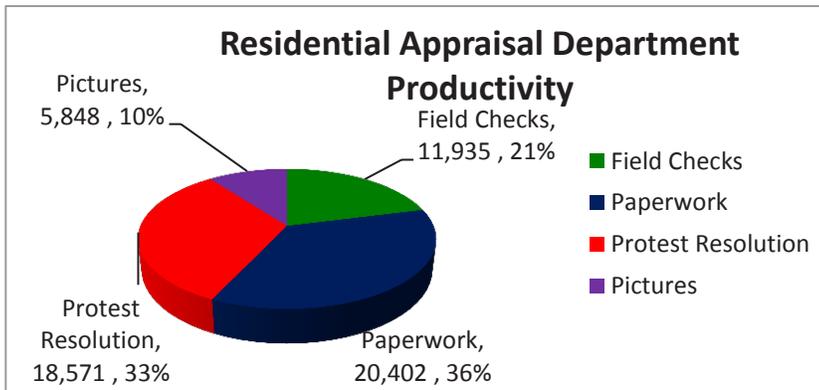
- NMSA §7-36-15 Methods of valuation for property taxation purposes; general provisions.
- NMSA §3.6.5.22 Methods of valuation for property taxation purposes; general provisions.
- NMSA §7-36-16 Responsibility of County Assessors to determine and maintain current and correct values of property.
- NMAC §3.6.5.23 Current and correct values of property defined.

The Assessor's Office is committed to ensuring that all residential property valuation data is current and correct. In order to properly value the Real Property of the County, it is requisite to inspect each parcel for changes in physical characteristics, added improvements, accelerated depreciation, or locational adjustments that might affect each property's value.

2014 Accomplishments

As the largest department in the Assessor's Office the Residential Appraisal Department must accurately determine personnel and resources necessary to maintain property valuations. In order to adequately implement the program and plan for the coming year historical data and workload are review and any trends from the prior year are contemplated. For Residential Appraisal Department the 2014 actual workload is as follows:

- Performed 7,644 sales analyses on residential parcels.
- Reviewed 4,485 building permits
- Performed 7,644 re-appraisal of sales on residential parcels
- Performed 1,964 re-appraisal of building permits
- Conducted 2,781 property valuation protests inquiries



The pictures category in the chart summarizes represents parcels reviewed and verified for accuracy in the CAMA system that previous to the review did not have a picture attached to the parcel record.

Program Plan Goals

- Perform 8,000 sales analyses on residential parcels.
- Review 4,500 building permits
- Perform 8,000 re-appraisal of sales on residential parcels
- Perform 2,000 re-appraisal of building permits
- Conduct 3,000 property valuation protests inquiries
- Canvass 60,000 residential parcels by end of 2015

Agricultural Appraisal

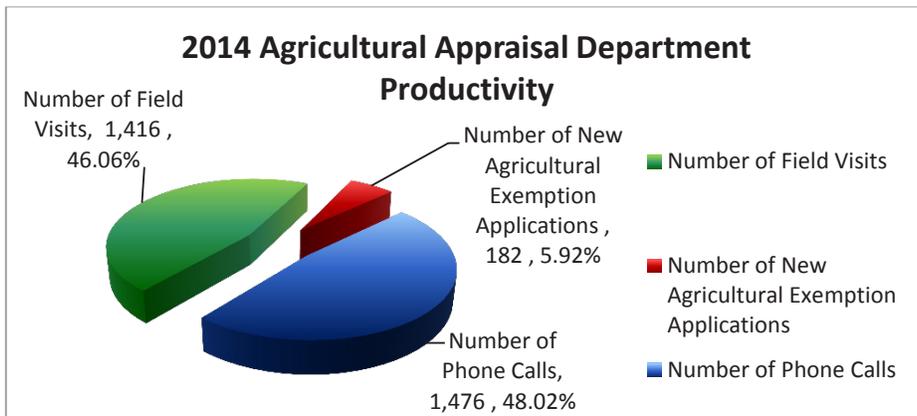
The Agricultural Appraisal Department was reinstated by the Assessor in July of 2014. The Agriculture Department assists the Assessor in complying with State Statute § 7-36-20 NMSA 1978 and PTD Rules and Regulations by maintaining all records on applications for and decisions to grant or deny Special Method of Agricultural Valuation on land used primarily for agricultural purposes. The uniform guidelines and training practices at the Assessor’s Office ensure the fair and equitable treatment of all taxpayers.

State Statutes that the Agricultural Appraisal Department follows include:

- NMSA §7-36-20 Special method of valuation; land used primarily for agricultural purposes.
- NMSA §7-36-21 Special method of valuation; livestock.
- NMAC §3.6.5.27 Special method of valuation – land used primarily for agricultural purposes.

2014 Accomplishments

One significant aspect of this department includes reviewing all Special Method of Agricultural Valuation to ensure proper ownerships, assessments and valuations. As of February 24, 2015, 84% of agricultural property owners had received letters regarding standard field reviews and requests for any updated information on the agricultural use of their property. Subsequent to the mailing of the letters, field reviews were conducted on over 3,193 agricultural properties. Final determinations on granting, modifying or denying the Special Method of Agricultural Valuation were made in time to allow property owners an opportunity to provide additional objective evidence of agricultural use. The timelines allowed the Assessor’s Office to comply with state law and meet the statutory deadline to mail out the Notices of Value.



The chart to the left summarizes the operational activities the of the Agricultural Appraisal Department staff focused on, including canvassing 3,483 agricultural parcels in 2014.

Program Plan Goals

- Complete canvassing of 4,250 agricultural parcels by end of 2015

Business Personal Property

Business Personal Property (BPP) is charged with assessing tangible business equipment annually. The Assessment Date, or lien date, is January 1st of each year.

The business property reports submitted to the Assessor contains those assets on which a federal depreciation deduction was taken and/or a Section-179 expense was taken and reported to the Internal Revenue Service (IRS) for the previous tax year (7-36-8 NMSA – Amended); excluding inventory held for resale, licensed vehicles, leasehold improvements, and supplies.

State Statutes that the Business Personal Property Department follows include:

- NMSA §7-38-8 Reporting of property for valuation; penalties for failure to report.
- NMSA §7-36-8 Tangible personal property exempt from property tax; exceptions.

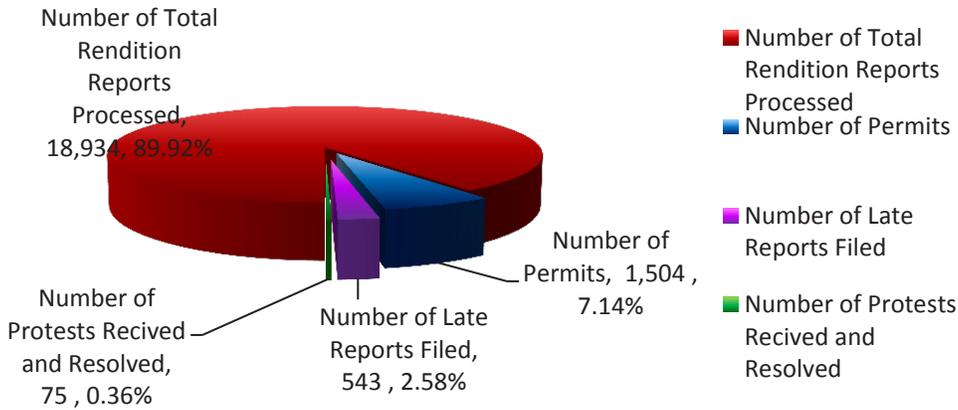
2014 Accomplishments

Each December, businesses receive a report generated by the Business Personal Property Department. The report consists of a form called the Bernalillo County Personal Property Business Equipment Report. On this form, businesses are mandated to list, or “Render”, all depreciable assets that are being reported for federal tax purposes. This year, a newly developed system called “E-File” was created as a method of reporting the information electronically. This new service method was recognized with a Public Sector Excellence Award given to the Assessor’s Office.

The Assessor has created a BPP “2nd Notice of Noncompliance” letter that is mailed to all businesses that fail to report their depreciable assets, per the provisions of NMSA 1978 Section 7-38-8. The Assessor takes the position that all property records must be current and correct. The workload for the Business Personal Property Department is as follows:

- In January of 2015, 18,809 reports were mailed out
- Processed and Reviewed 3,600 business licenses
- Reviewed 650 building permits
- Performed 560 re-appraisal of building permits
- Conducted 101 property valuation protests inquiries

2014 Business Personal Property Department



An essential Business Personal Property process that is performed annually is the "Rendition" process. The total financial value of the process is \$1,273,988,835, with a taxable value of \$424,620,479.

Program Plan Goals

- Review 700 building permits
- Perform 650 re-appraisal of building permits
- Conduct 100 property valuation protests inquiries

Manufactured Homes

The Manufactured Home (hereafter MH) Department is responsible for assessing property values for all Manufactured Homes in Bernalillo County. The fundamental objectives of the MH Department are property valuation data entry into, corrective property valuation changes in, or deletion/deactivation of property records in the Assessor's database. The MH Department performs field checks on manufactured homes, as defined by NMSA §7-36-26, as well as manufactured homes that have been converted to "Real Property", which can cause an increase to the property's assessed valuation.

State Statutes that the Manufactured Homes Department follows include:

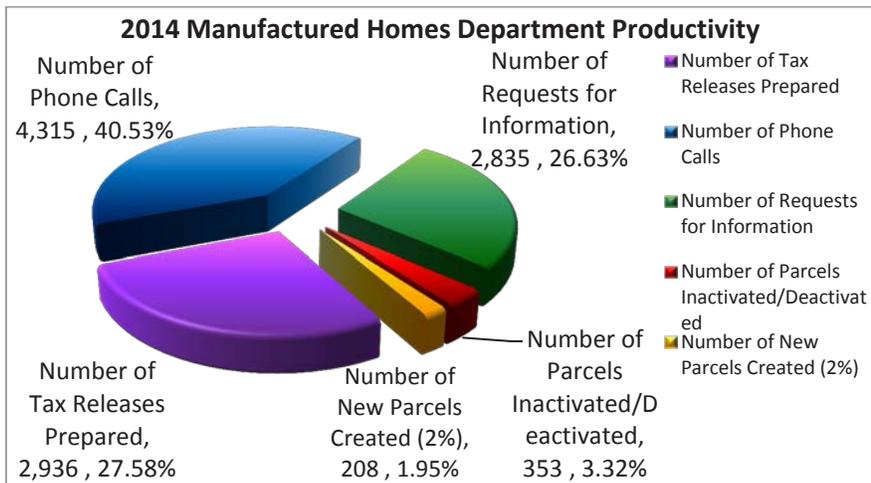
- NMSA §7-36-26 - Special method of valuation; manufactured homes.
- NMSA §7-38-17: Claiming exemptions; requirements; penalties.
- NMSA §7-38-76: Property subject to property taxation but omitted from property tax schedules in prior years.
- NMSA §66-7-413: Permits for excessive size and weight; special notification required on movement of manufactured homes.
- NMSA §3.6.5.33: Special method of valuation; manufactured homes.

2014 Accomplishments

- During 2014, the MH Department issued 2,936 tax releases to parties such as property owners, mortgage companies, title companies, manufactured home dealers and others parties. This is an increase of 44.5% from 2013, during which 2,017 tax releases were prepared.
- The goal for 2015 is to maintain the one day turnaround production rate, and research ways to streamline the current process.

Program Plan Goals

- Cross-train all staff on all operational procedures
- Respond to all taxpayer requests within 24 hours after receipt.
- Increase the number of field reviews per day by appraiser. Currently at an average of 18 to 20 per day.
- Canvass 4,000 manufactured homes by the end of 2015
- Initiate taxpayer outreach events for manufactured homeowners



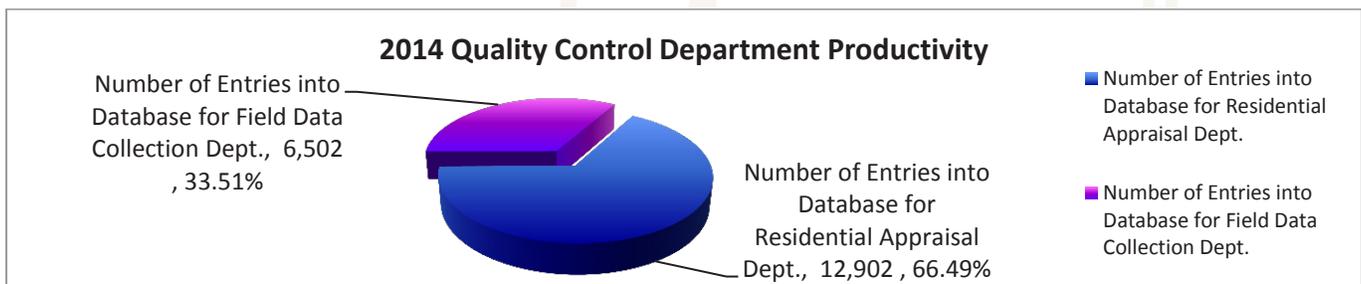
The chart summarizes the operational activities the staff of the Manufactured Homes Department focused on in 2014. Each "Pie Slice" illustrates the activity as well as the percentage of their efforts dedicated to each activity.

Quality Control

The Quality Control Department (QC) was re-established by Assessor Giddings in July of 2014 and is now a fundamental and integral aspect of the business processes of the Residential Appraisal and the Field Data Collection departments. The QC Department is focused on internal operations to ensure that data gathered by appraisers in the field is entered into the Assessor's database system consistently, completely, accurately, and uniformly. Additionally, the QC Department is responsible for ensuring that only meaningful information is recorded.

2014 Accomplishments

A goal which began in 2014, and will continue onward, is to reduce the amount of errors that causes re-work of documentation and correction of data entry. During the first quarter of 2015, 17,000 edits (or errors) were reviewed and corrected. With the re-establishment of the QC Department, edits the quantity of should experience a vast reduction.



Program Plan Goals

- Review 60,000+ entries for quality assurance purposes

TRAINING

The overall objective of ongoing employee professional development, as strongly supported by continuing education, is to reinforce and endorse the standpoint that the knowledge and aptitude of the employee base is proficient and up-to-date. Knowledge and skills development is fundamental and essential to the successful achievement of organizational goals and objectives. The Assessor's Office is committed to the continuing education of its staff as skilled and trained employees will enhance productivity by performing at higher levels of effort with greater yield and efficiency. The office's commitment includes sending staff to classes offered by the International Association of Assessing Officers (IAAO), as well as other industry recognized educational organizations, for their continued development and professional certifications.

2014 Accomplishments

- Currently, twenty-nine of the Assessor's Office staff is certified as New Mexico Certified Appraisers as recognized by the New Mexico Taxation and Revenue Department's Property Tax Division.
- Eight others of the staff have the potential of being certified by the end of July, 2015.
- The Assessor's Office Training Coordinator has been working with the supervisors of each department in setting up personalized training plans for each Assessor employee. The principal objective was to ensure a training plan for 100% employees within the Assessor's Office by June 30, 2016. By the end of the first quarter of 2015, the objective was completely achieved.

Training Accomplishments Attributable to the New Mexico Legislature

House Bill 348-County Incentive Pay Qualification was introduced during the 2015 New Mexico Legislative session. Under this amending bill, Bernalillo County commissioners could vote to provide additional compensation to appraisers. This amends Section 4-39-5 NMSA, 1978. The bill partially reads, "A board of county commissioners may provide additional cumulative increments to the salary of any qualifying appraiser employed in the Bernalillo County Assessor's Office as an incentive for obtaining greater qualification levels..." This bill, along with other training initiatives the Assessor has undertaken, are impactful in not only the retention of an educated, knowledgeable and skilled workforce, it will also augment the recruitment of qualified candidates who have the potential of strengthening the workforce able to serve the constituents of the county. The bill will go into effect July 1, 2015.

¹ HB 348, 52d. Legislature, Reg. Session (N.M. 2015, available at New Mexico Legislation 2015 House Bill 348)

Performance Metrics

A performance metrics system was implemented in 2014. The primary objectives of the system are to ascertain the office's comportment and execution of operational duties, and a measure of performance against customer requirements and expectations. Performance metrics has been implemented to support the development, deployment, and delivery of training for the purpose of achieving departmental and division-based strategic goals and objectives. In addition to designating accountability, performance metric information is used by the Assessor's Executive Administrative staff to review operational results, ask and invite questions, and when appropriate, initiate change. The majority of performance metrics can generally be characterized into one of the following metric descriptions:

- **Effectiveness:** A metric indicating the degree to which the work product conforms to requirements.
- **Efficiency:** A metric indicating the degree to which the process produces the required output at an acceptable level of cost.
- **Quality:** A metric indicating the degree to which a product or service meets all interested parties requirements and expectations, including county stakeholders, property owners and the public at large.
- **Timeliness:** A metric that gauges whether a unit of work was done correctly and on time. Note that in order for this metric to reflect any type of useful information, criteria must be established to define what constitutes timeliness for a given unit of work.
- **Productivity:** A metric that signifies any value added by the work effort divided by the value of the labor and capital investments expended.

REVALUATION PROGRAM: COUNTYWIDE CANVASS

Per International Association for Assessment Officers (IAAO) standards and by generally accepted Ad Valorem appraisal practices referenced in the New Mexico State Statutes (7-36-15 NMSA 1973; Regulation 3.6.5.23 (C)), all properties within a jurisdiction should be inspected and reappraised on a consistent cycle of every four to six years. As such, each appraisal department within the Assessor's Office has undertaken the initiative to fulfill the requirements of the statute.

Agricultural Appraisal

- In 2013, the Agricultural Appraisal Department embarked on an initiative to review and field inspects the 4,205 properties in Bernalillo County that were receiving the Special Method of Agricultural Valuation.
- The timetable established to complete the project is two years, with the target of concluding the initiative in the summer or early fall of 2015.
- To date, the project is 76 percent complete and thus is on track to be accomplished on time.

Commercial Appraisal

- Beginning in 2013, the Commercial Appraisal Department set a goal of canvassing commercial properties with the objective of gathering and verifying the information and values contained in the Assessor's database for all commercial parcels in Bernalillo County.
- The canvass initiative is targeted to be completed by December 31, 2016
- To date, 41% of the parcels identified for the canvassing initiative have been field checked.

Manufactured Homes

- In 2015, the MH Department implemented a "canvassing" campaign with the objective of field inspecting every manufactured home property recorded in the Assessor's database.
- This new initiative will mirror the canvassing processes already in place for the agricultural, commercial and residential appraisal departments.

Residential Appraisal/Canvass Initiative

- An initiative was undertaken in the winter of 2013 to canvass all residentially designated properties to verify the correctness of the data contained in the Assessor's records database.
- A Field Data Collector's Department was established to greatly augment the staff of the Residential Appraisal Department to achieve this undertaking.
- The ultimate goal of the canvass initiative is to inspect a total of 215,935 properties.
- In 2014, 25,718 field checks were completed (see chart below). As of February 27, 2015, 28,983 properties have been inspected which represents 13.42% of the county.
- The objective for 2015 is to complete the area in the northwest that is under current review and then shift the concentration to neighborhoods in the northeast region of the county.

2013-2018 LONG-TERM REVALUATION PROGRAM OUTLINE

While the Assessor's Office conducts thousands of field check on properties as a result of building permits, property transfers, and valuation protests; a county wide canvass is necessary to meet international appraisal standards for property assessment per the International Association for Assessment Officers (IAAO). The long-term revaluation program outline is as follows:

- I. **Residential Real Property**
 - A. Appraisal Field Data Review of 215,935 Parcels
 - B. Current Progress Status 13.42% complete
 - C. Expected Date Completion 3/1/2018

- II. **Non-Residential Real Property**
 - A. Appraisal Field Data Review of
 - B. Current Progress Status 46% complete
 - C. Expected Date Completion 3/1/2018

- III. **Manufactured Homes**
 - A. Appraisal Field Data Review of 15,000
 - B. Current Progress Status 1.75% complete
 - C. Expected Date Completion 3/1/2018

2013-2018 LONG-TERM REASSESSMENT CURRENT STATUS OF PROGRAM

RESIDENTIAL

Count	Start Date	End Date	Total Canvassed	28,983
215,935	2/3/2014	3/1/2018	Complete	13.42%
			Pending	86.58%

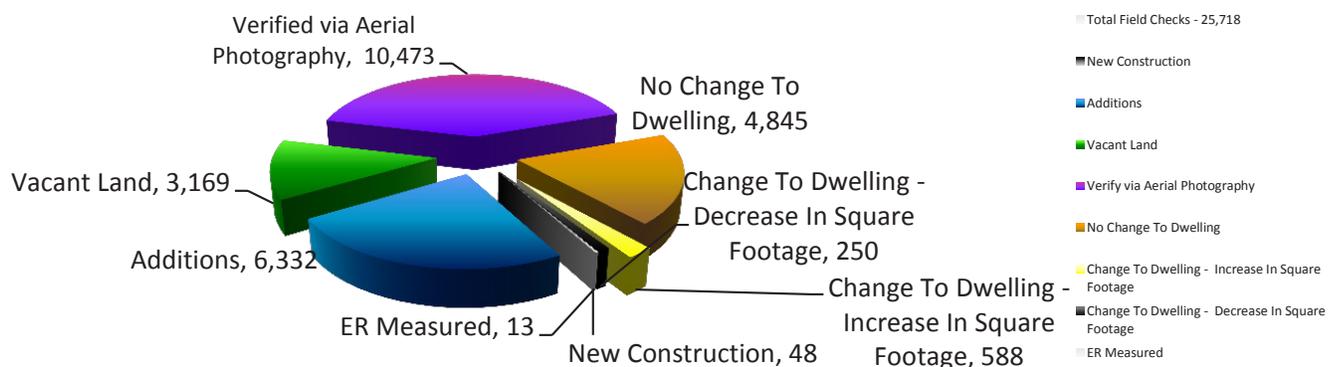
NON-RESIDENTIAL

Count	Start Date	End Date	Total Canvassed	7015
18867	4/1/2013	3/1/2018	Pending	54%
			Complete	46%

MANUFACTURED HOMES

Count	Start Date	End Date	Total Canvassed	4,000
15000	10/15/2014	3/1/2018	Pending	98%
			Complete	1.75%

Canvass Field Checks For Residential Parcels in Calendar Year 2014



ANNUAL DATA & STATISTICAL ANALYSIS

Three of the fundamental operational processes that the Assessor's office performs are:

- 1) the review of taxpayer's protests regarding the assessment of their property;
- 2) field inspection of properties arising from the issuance of building permits, and
- 3) analysis and stratification of property sales to establish market values.

The Assessor has made a concerted effort to issue Notices of Value (NOV's) that reflect fair and equitable property valuation information. As a result, the number of taxpayer protests has decreased. An additional consequence of the anticipated recovery in the housing construction market will, in all likelihood, be an increase in sales analysis, which offers more accurate assessment of information regarding the current status of the housing market. More importantly the overall net taxable property values on the assessment rolls delivered to the Treasurer will remain stable or increase with the market.

Historical Analysis of Assessed Valuation Based on Actual Tax Roll Delivered to County Treasurer (Delivered November of Each Year)

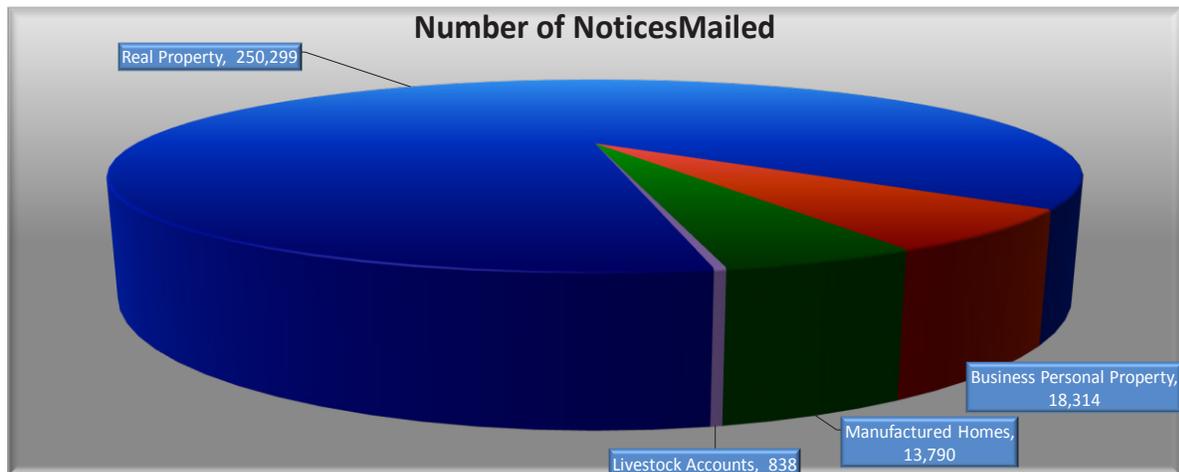
Tax Year	2013	2014	% Diff.	Amt. Diff.
Net Taxable Residential	\$10,709,157,954	11,021,769,490	2.84%	\$312,611,536
Net Taxable Non-Residential	\$3,332,485,428	\$3,328,895,057	-0.11%	- \$3,590,371
Net Taxable Value of County	\$14,041,643,382	\$14,350,664,547	2.15%	\$309,021,165
Tax Year	2012	2013	% Diff.	Amt. Diff.
Net Taxable Residential	\$10,513,182,171	\$10,709,157,954	1.83%	\$195,975,783
Net Taxable Non-Residential	\$3,382,616,597	\$3,332,485,428	-1.50%	- \$50,131,169
Net Taxable Value of County	\$13,895,798,768	\$14,041,643,382	1.04%	\$145,844,614
Tax Year	2011	2012	% Diff.	Amt. Diff.
Net Taxable Residential	\$10,409,867,174	\$10,513,182,171	0.98%	\$103,314,997
Net Taxable Non-Residential	\$3,546,489,592	\$3,382,616,597	-4.84%	-\$163,872,995
Net Taxable Value of County	\$13,956,356,766	\$13,895,798,768	-0.44%	-\$60,557,998
Tax Year	2010	2011	% Diff.	Amt. Diff.
Net Taxable Residential	\$10,242,019,178	\$10,409,867,174	1.61%	\$167,847,996
Net Taxable Non-Residential	\$3,569,133,678	\$3,546,489,592	-0.64%	-\$22,644,086
Net Taxable Value of County	\$13,811,152,856	\$13,956,356,766	1.04%	\$145,203,910

NOTICE OF VALUE

Notices of Value Mailed in 2015

Real Property	250,299
Business Personal Property	18,314
Manufactured Homes	13,790
Livestock Accounts	838
Total Notices of Value Mailed	283,241

ASSESSED VALUATION

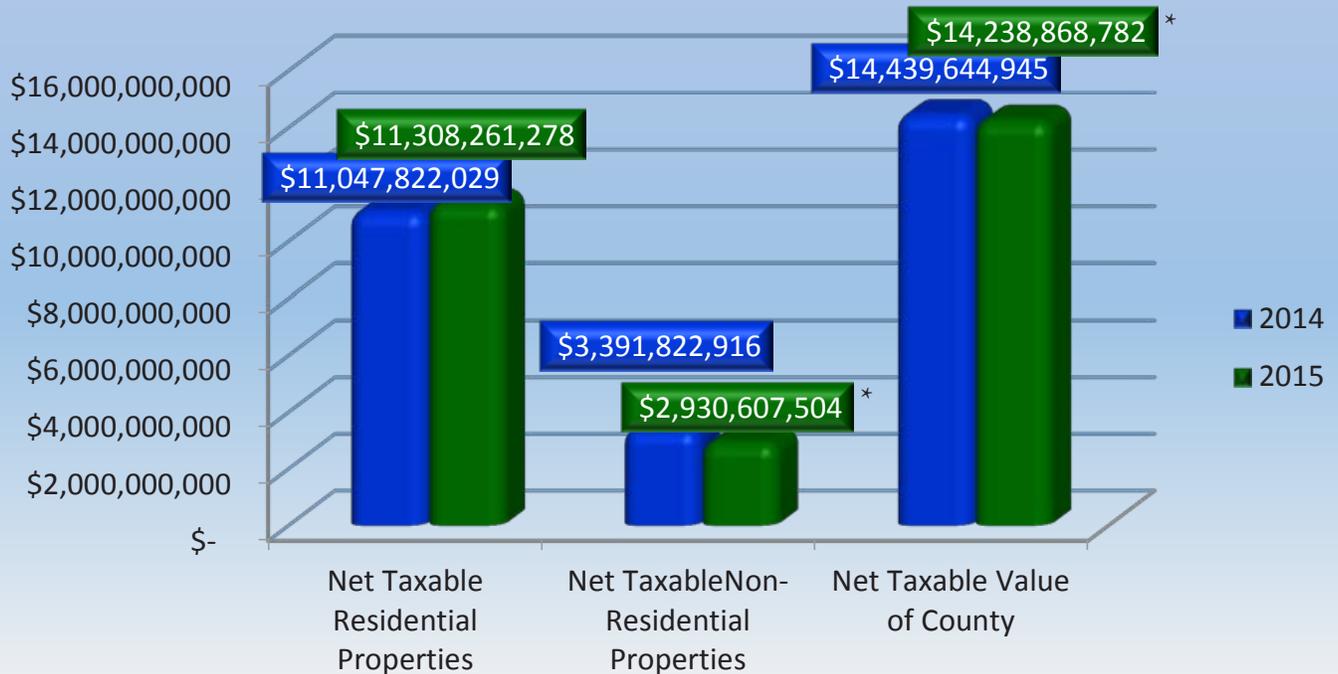


Based on 2014 and 2015 NOV's

Tax Year	2014	2015	% Difference	\$ Difference
Net Taxable Residential Properties	\$11,047,822,029	\$11,308,261,278	2.3574%	\$260,439,249
Net Taxable Non-Residential Properties	\$3,391,822,916	\$3,364,115,280*	-0.8169%	-\$27,707,636
Net Taxable Value of County	\$14,439,644,945	\$14,672,376,558	1.6118%	\$232,731,613

**This number was adjusted on 3/31/2016*

Real Property Values for 2015

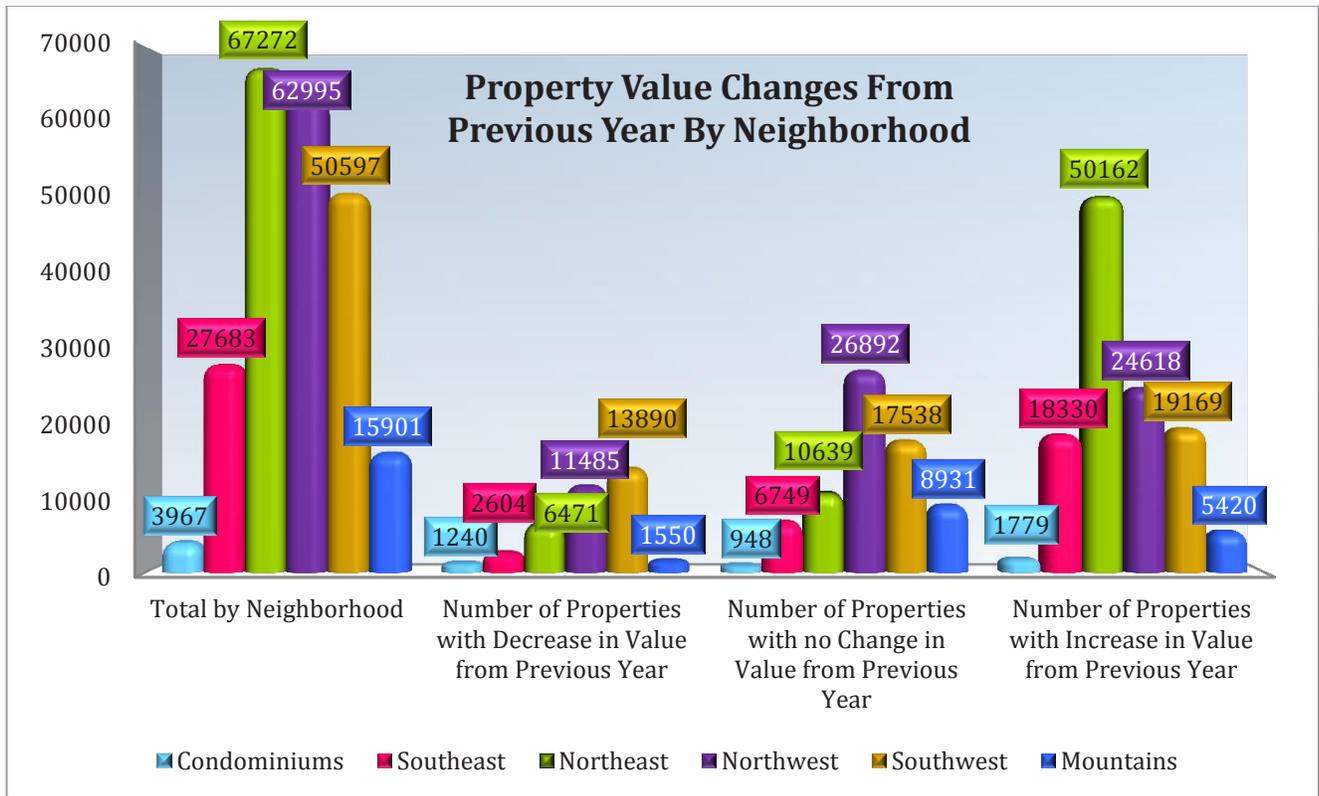


Estimated Values			
	All Real Property	Residential	Non-Residential
Applied Land	\$ 18,100,621,061	\$ 9,183,417,919	\$ 8,917,203,142
Appraised Improvement	\$ 35,344,637,107	\$ 26,686,742,677	\$ 8,657,894,430
Total Appraised	\$ 53,445,258,168	\$ 35,870,160,596	\$ 17,575,097,572
Assessed Land	\$ 5,985,624,982	\$ 3,013,521,436	\$ 2,972,103,546
Assessed Improvements	\$ 11,764,598,672	\$ 8,878,922,305	\$ 2,885,676,367
Total Assessed	\$ 17,750,223,654	\$ 11,892,443,741	\$ 5,857,779,913
Total Exemptions	\$ 3,511,354,873	\$ 584,182,463	\$ 2,927,172,410
Net Taxable	\$ 14,238,868,782	\$ 11,308,261,278	\$ 2,930,607,504*
Net New Value	\$ 113,403,679	\$ 79,942,085	\$ 33,461,594

*This number was adjusted on 3/31/2016

PROPERTY VALUE CHANGES FROM PREVIOUS YEARS: Residential Properties

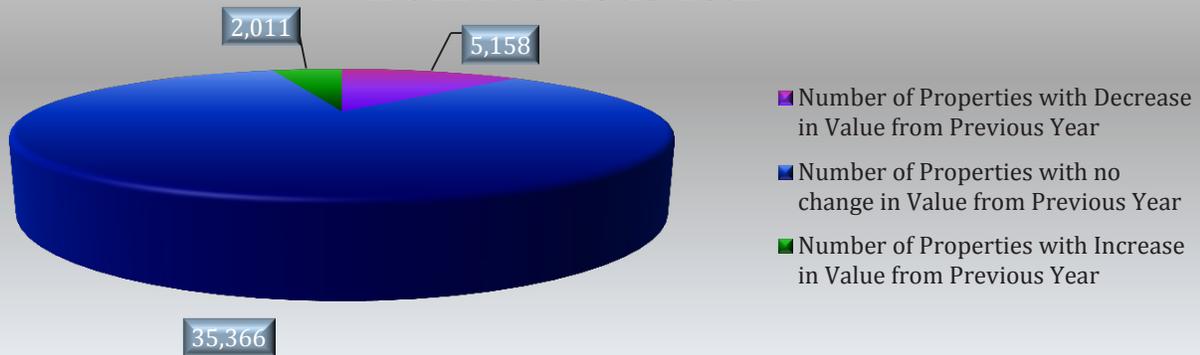
Residential Neighborhood	Total by Neighborhood	Number of Properties with Decrease in Value from Previous Year	% Change	Number of Properties with no Change in Value from Previous Year	% Change	Number of Properties with Increase in Value from Previous Year	% Change
Condominiums	3,967	1,240	31.26%	948	23.90%	1,779	44.8%
Southeast	27,683	2,604	9.41%	6,749	24.38%	18,330	66.21%
Northeast	67,272	6,471	9.62%	10,639	15.81%	50,162	74.57%
Northwest	61,134	11,474	18.77%	25,052	40.98%	24,608	40.25%
Southwest	50,597	13,890	27.45%	17,538	34.66%	19,169	37.89%
Mountains	15,901	1,550	9.75%	8,931	56.17%	5,420	34.09%
7000	1,861	11	0.59%	1,840	98.87%	10	0.54%
Totals	228,415	37,240	16.30%	71,697	31.39%	119,478	52.31%



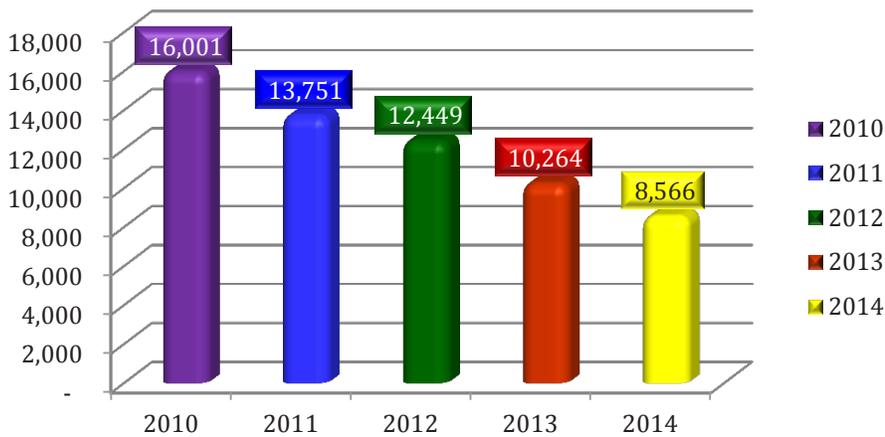
Commercial Properties

Commercial Properties	Number of Properties with Decrease in Value from Previous Year	% Change	Number of Properties with No Change in Value from Previous Year	% Change	Number of Properties with Increase in Value from Previous Year	% Change
Total # of Properties	42,535	12%	35,366	83%	2,011	5%

Number of Properties with Decrease in Value from Previous Year

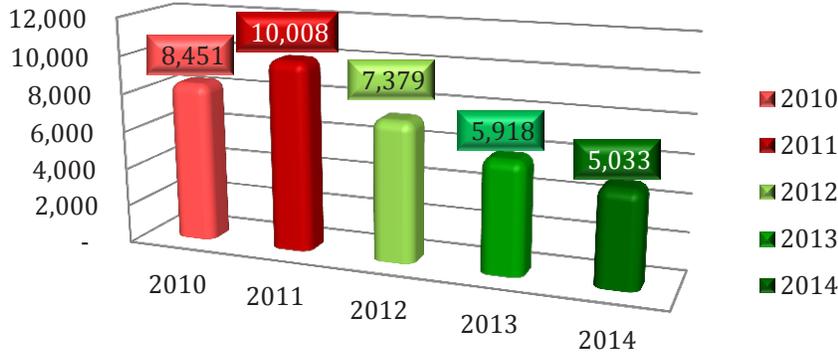


Building Permits



The chart illustrates the number of building permits issued over the last five years. With the anticipated recovery in the housing construction market in the near future, it is probable that a related increase in building permit issuances will result before long.

Protests

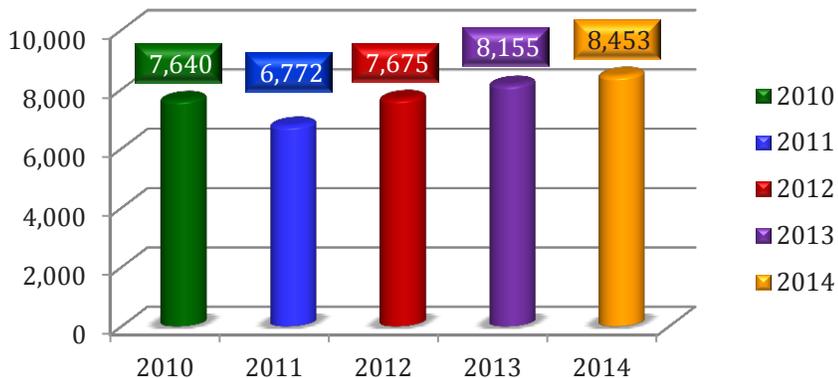


The chart illustrates the number of protests filed by property owners. There can be several reasons for the decline in the number:

- Property values did not increase by a large margin
- The efforts to verify property owner information in the Assessor's CAMA system has proven effective
- Getting property owner information out via information fliers and property assessment workshops assist property owners better understand the property valuation process.

There can certainly be other reasons why the number of protests have declined, but the three cited above would be the most common.

Sales Analysis

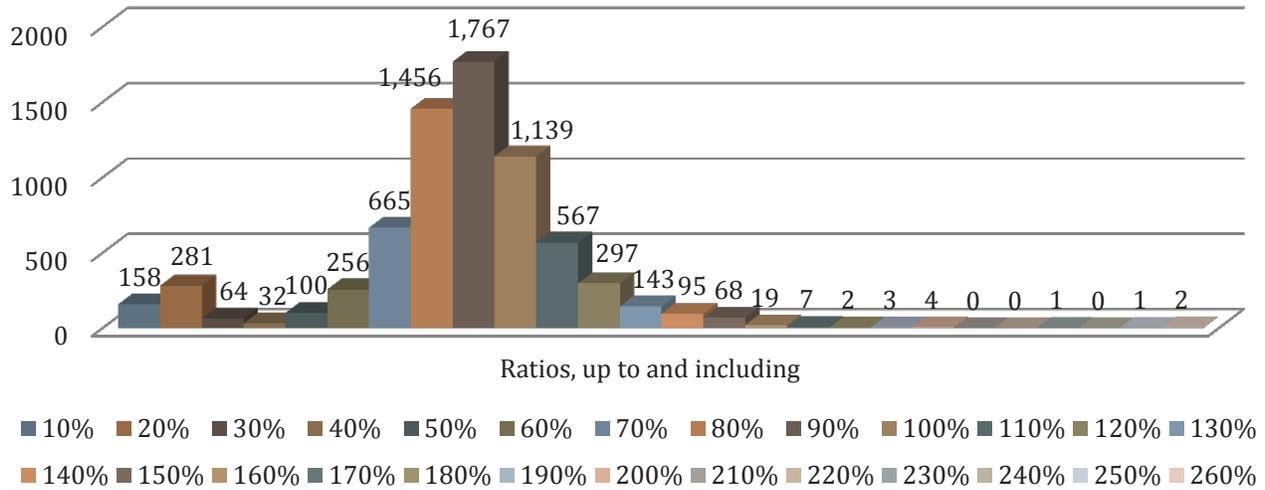


The chart depicts the number of residential property sales by year. The sales analysis metric applied to these sales is a means of establishing if the estimated market value of a property equals the sale price of a comparable property after adjustments for differences are made (i.e., property type, stories, year built, etc.)

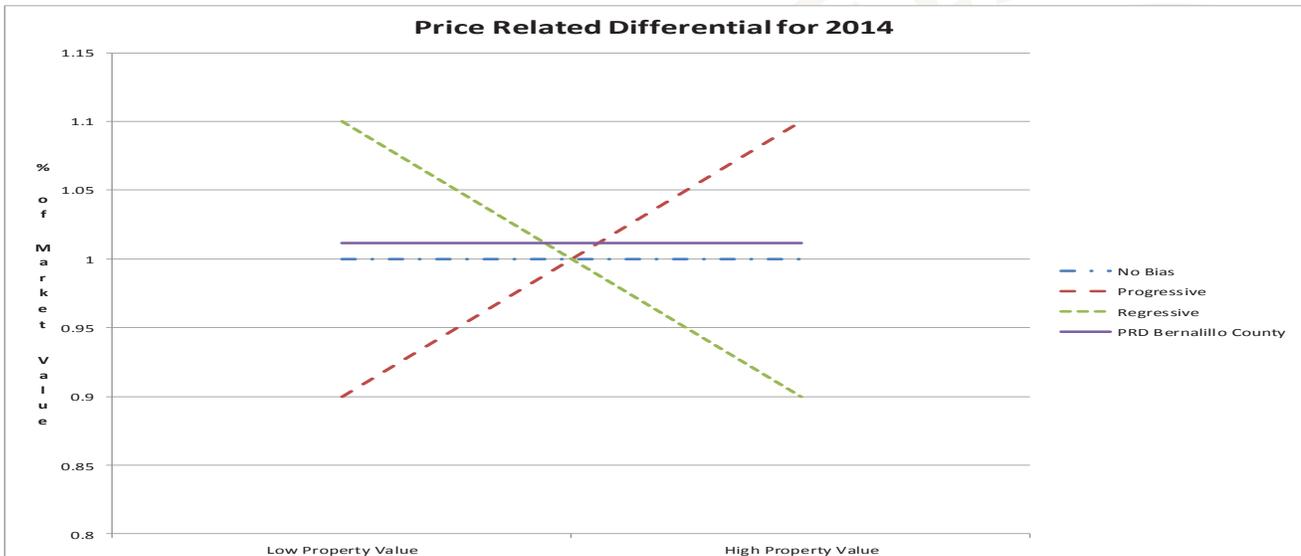
Rather than considering properties one at a time, assessors use mass appraisal techniques and computer software to appraise many properties of the same general type. An area sales analysis offers an accurate assessment of information regarding the current status of the housing market.

SALES RATIO STUDY
Ratio Distribution – Pre-assessment for 2014

**Ratio Distribution - Pre-Assessment Values
for 2014**



The pre-assessment ratios analyze the values of properties that have sold prior to adjustment for the current tax year. The median ratio of 81.12% indicates that the overall assessment level in Bernalillo County was 90% in tax year 2014 which allows for an increase of 10% for tax year 2015, subject only to the provisions of 7-36-21.2, NMSA (1978), Limitation on increase in valuation of residential property.



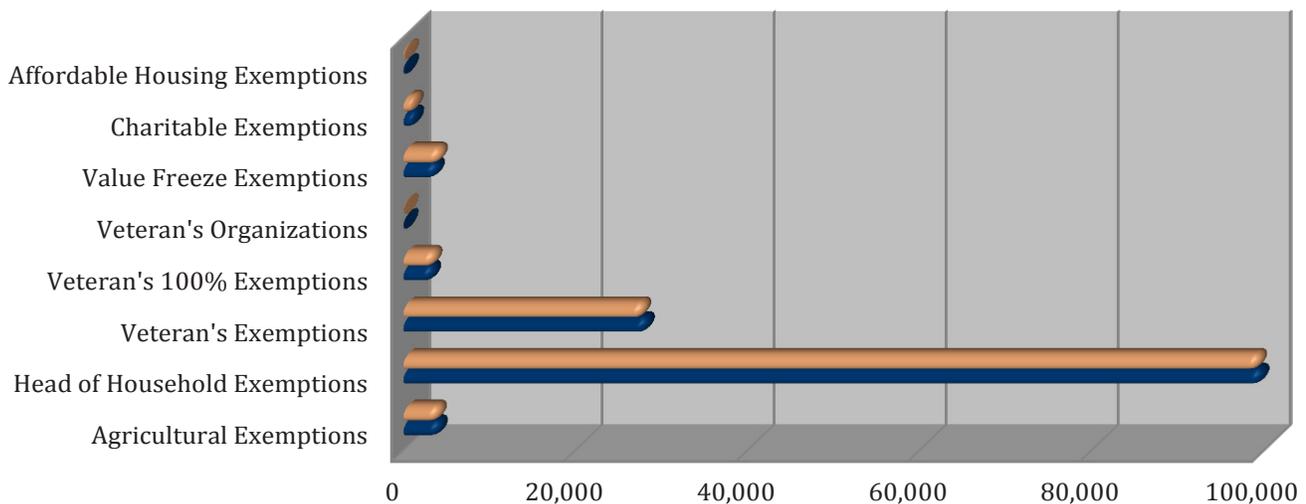
The Price Related Differential (PRD) is used to measure value related inequities in the appraisal system, referred to as regressivity or progressivity.

Appraised values are regressive if high value properties are under appraised relative to low value properties and progressive if high value properties are over appraised relative to the low value properties. A PRD between 98% and 103% shows that the low- and high-value sale prices are equally appraised. The overall PRD for Bernalillo County is 102.098%, indicating the appraised values for Bernalillo County are unbiased.

Exemptions Granted (All Categories)

Exemptions	2014	2015
Agricultural Exemptions	3,943	3,822
Head of Household Exemptions	99,420	99,141
Veteran's Exemptions	27,990	27,568
Veteran's 100% Exemptions	3,163	3,308
Veteran's Organizations	9	8
Value Freeze Exemptions	3,587	3,952
Charitable Exemptions	1,053	964
Affordable Housing Exemptions	81	94

Exemptions Granted by Type



	Agricultural Exemptions	Head of Household Exemptions	Veteran's Exemptions	Veteran's 100% Exemptions	Veteran's Organizations	Value Freeze Exemptions	Charitable Exemptions	Affordable Housing Exemptions
■ 2015	3,822	99,141	27,568	3,308	8	3,952	964	94
■ 2014	3,943	99,420	27,990	3,163	9	3,587	1,053	81

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