

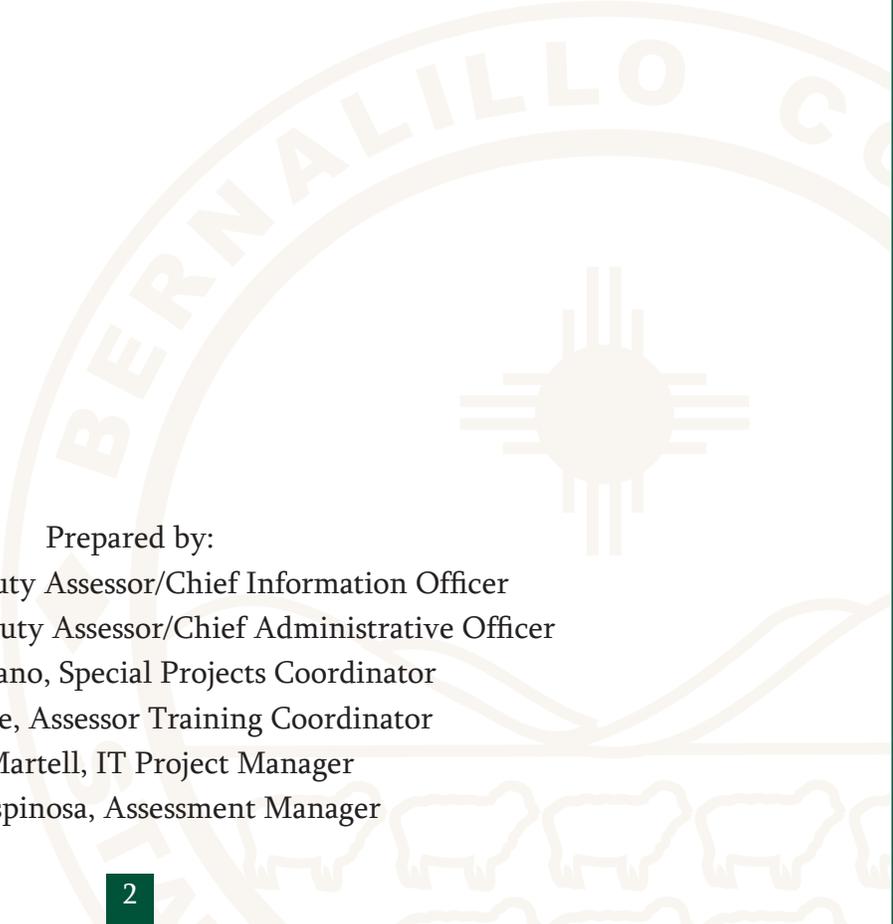


BERNALILLO COUNTY

**Property Valuation
Maintenance Program**
*for Fiscal Year 2017
& Annual Report
for 2016*



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



Prepared by:

Damian Lara, Deputy Assessor/Chief Information Officer

Michelle Aguilar, Deputy Assessor/Chief Administrative Officer

Daniel Manzano, Special Projects Coordinator

Jerome Starke, Assessor Training Coordinator

Dave Martell, IT Project Manager

Bobby Espinosa, Assessment Manager

Table of Contents

Message from the Assessor	5
Mission	6
Property Tax Code Calendar	7
2016-2017 Program Timeline	8
Property Valuation Maintenance Program	9
2013-2018 Long-Term Reassessment Program Current Status	10
Current Status	10
2013-2018 Long-Term Reassessment Program	11
Review of 2015 Operational Results and Goals by Department	13
Special Assessment Department	13
Agricultural Appraisal	13
Research and Information.....	15
Business Personal Property	18
Commercial Appraisal	20
Customer Service.....	23
GIS/Mapping	26
Manufactured Homes	30
Quality Control	32
Residential Appraisal	34
Residential Appraisal/Canvass Initiative	36
Budget and Organizational Structure	37
Proposed Budget for Fiscal Years 2016 and 2017	37
Organizational Chart	38
Employee Count	38
Annual Data and Statistical Analysis	39
Statistics on Changes of Assessed Valuation	39
Property Value Changes from Previous Years: Residential Properties	40
Property Value Change from Previous Years: Commercial Properties	41
Protests.....	42
New Building Permits Issued	42
Sales Analysis	43
Sales Ratio Study	44
Tax Savings Programs	48
Exemptions Granted in 2015	48
Conclusion	51
Contact and Agency Information	51



Message from the Assessor

"2015: A Review by the Numbers"

2015 was a busy year for the Bernalillo County Assessor's Office. Every department had a specific role that lends itself to the entire assessment process getting completed and accurate. From 2015 to 2016 Bernalillo County saw a total net taxable value for property tax purposes increase by 3.2884%. It went from a total of \$14.672 billion in 2014 to \$15.154 billion in 2015. The total protests filed in 2015 were just under 5,000. We resolved around 89% of these through the informal process. This rate is due to the interpersonal skills of our appraisal staff.

Our Customer Service department had around 8,400 customers walk in last year along with just under 30,000 phone calls. That averages out to about 700 walk-ins and 2,500 calls a month! There were 1,512 property owner inquiry emails received and responded to, along with 62 Inspection of Public Records requests responded to within the statutory deadlines. We received over 2,800 Head of Family exemption applications and approximately 9,400 change of mailing address requests. Customer Service coded over 23,000 deeds last year and the Mobile Homes department issued 2,809 tax releases and took over 11,000 calls.

Our Residential and Commercial Appraisal Departments reviewed over 12,000 building permits. Our Residential Canvass Department canvassed 12,403 parcels and entered approximately 7,000 source documents. Our Quality Control Department entered 15,646 documents in 2015! GIS/Mapping Department produced 492 special map requests along with almost 5,000 emails and phone calls. Business Personal Property has more than 19,000 accounts they handle with value over \$1.3 billion. Best yet, we did this all while maintaining a total real property parcel count of over 250,000 and we delivered the 2016 Notice of Values on time once again.

I am very proud of the staff here and look forward to the rest of 2016. These numbers tell a story of productivity, efficiency and inter-departmental cooperation. Although these numbers don't show the entirety of all we do, this paints the best picture I've seen about the volume this office puts out every year. Our office is constantly challenging ourselves as to how to improve the quality of our product and the service we provide to the residents of Bernalillo County.

Sincerely,

*Tanya R. Giddings
County Assessor*

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.

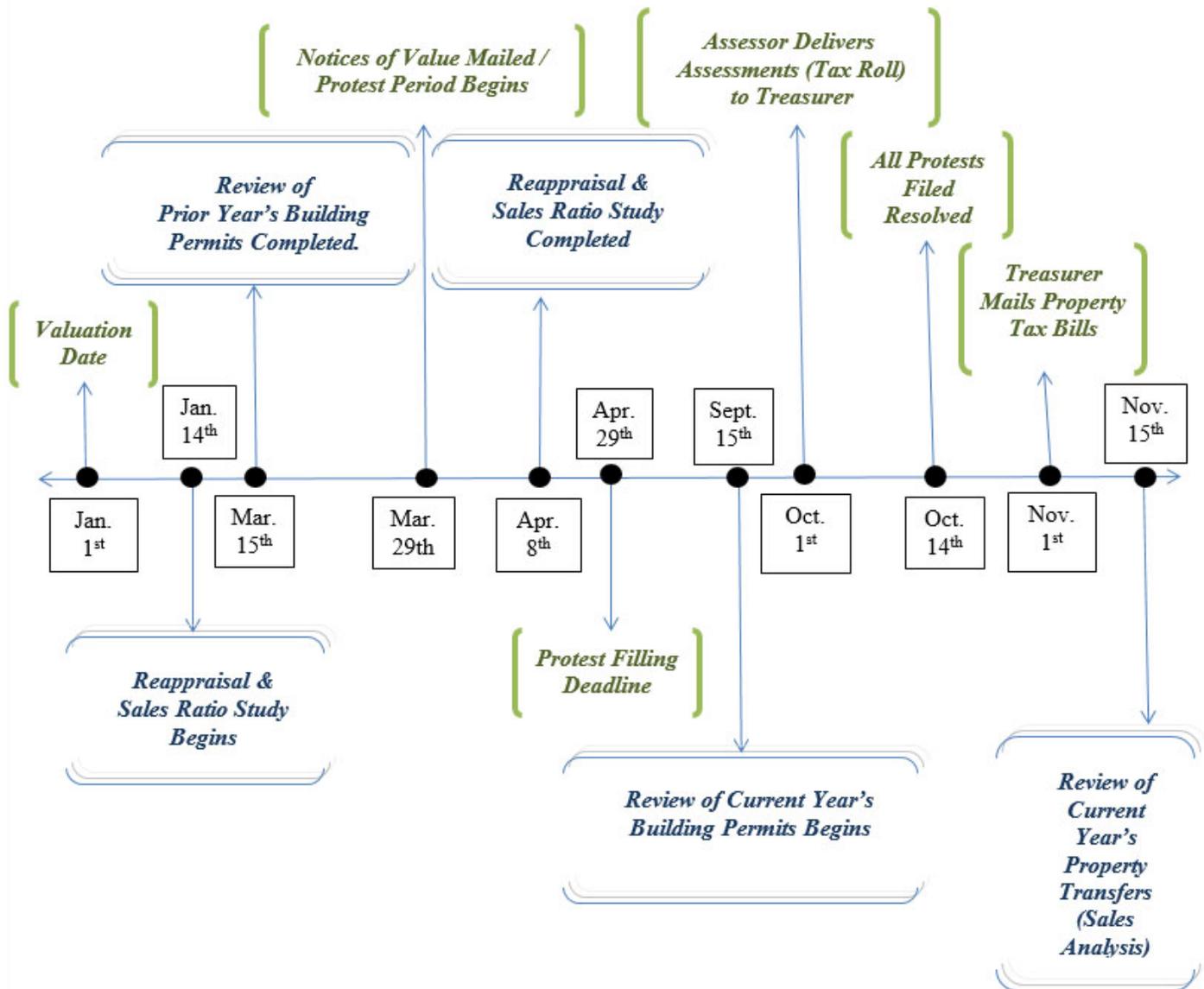
Pursuant to NMSA 7-36-16.E, to aid the Board of County Commissioners in determining whether the County Assessor is operating an efficient property valuation maintenance program and in determining the amount allocated for this function, *the County Assessor shall present an annual budget and a written 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.

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

2016-2017 PROGRAM TIMELINE



PROPERTY VALUATION MAINTENANCE PROGRAM

Program Purpose and Outline

In order to maintain current and correct property values, the Assessor's Office implemented a program that includes collecting and maintaining relevant information in order to apply appropriate statutory valuation methods. The program outline for 2016-2017 is as follows:

- Program Purpose: Maintain Valuation of Approximately 285,000 Parcels
- Program Outline:
 - A. Process and review Approximately 10,038 Residential and 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
 - B. Process and Review Approximately 12,438 Residential and Non-Residential Real Property Building Permits
 - 1. Field check approximately 6,264 real property building permits
 - 2. Add new construction value for approximately 5,861 completed building permits
 - C. Reappraisal and Maintenance of Personal Property
 - 1. Process and review approximately 3,900 business licenses and building permits
 - 2. Process, review and value approximately 19,150 Business Equipment Reports
 - 3. Process, review and value approximately 13,000 manufactured homes
 - 4. Process, review and value approximately 854 Livestock Rendition Reports
- Establish an Operating Budget
 - A. General Fund Maintenance Program Budget of approximately \$3 Million
 - B. Revaluation Fund Reappraisal Program Budget of approximately \$6.7 Million

Program Components

• RESIDENTIAL	Count	Start Date	End Date
Sales Analysis	9,338	16-Nov	17-Feb
Building Permits	10,438	16-Oct	17-Feb
Reappraisal of Sales	9,338	16-Jan	17-Mar
Reappraisal of Permits	4,261	16-Oct	17-Feb
Protests	3,000	17-May	17-Oct
• NON-RESIDENTIAL	Count	Start Date	End Date
Sales Analysis	700	16-Nov	17-Feb
Building Permits	2000	16-Oct	17-Feb
Reappraisal of Permits	1600	16-Oct	17-Feb
Protests	2000	17-May	17-Oct
• PERSONAL PROPERTY	Count	Start Date	End Date
Building/License Permits	3,900	16-Sep	17-Mar
Reappraisal of Permits	3,000	16-Sep	17-Mar
Protests	100	16-May	16-Oct

2013-2018 LONG-TERM REASSESSMENT

Program Current Status

While the Assessor’s Office conducts thousands of field checks 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 current status of the long-term reassessment program is as follows:

Current Status

RESIDENTIAL

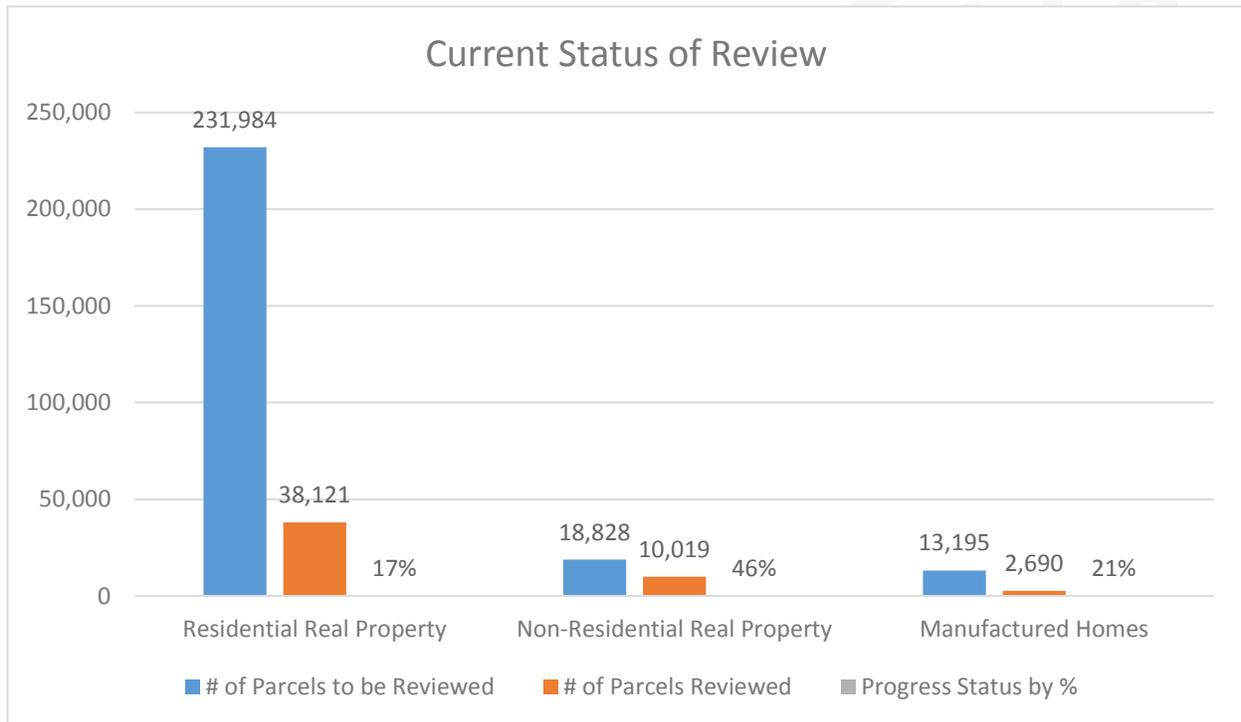
Count	Start Date	End Date	Total Canvassed	38,121
231,984	2/3/2014	3/1/2018	Pending	83%
			Complete	17%

NON-RESIDENTIAL

Count	Start Date	End Date	Total Canvassed	10,019
18,828	4/1/2013	3/1/2018	Pending	54%
			Complete	46%

MANUFACTURED HOMES

Count	Start Date	End Date	Total Canvassed	2,690
13,195	10/15/2014	3/1/2018	Pending	79%
			Complete	21%



2013-2018 LONG-TERM REASSESSMENT PROGRAM

As a result of last year's efforts, the net taxable valuations for residential real properties reflected in the Notices of Value increased from \$11,308,261,278 in 2015, to \$11,778,060,520 in 2016 for an increase of 4.1544%. Notably, the residential canvassing department's valuation and verification initiative has been strengthened by the implementation of additional strategies to accomplish the canvassing mission. An impactful additional strategy is the implementation of a cutting-edge software product that has significantly enhanced the effectiveness of the "desk top" review process. The software, Assessment Analyst, is a customizable solution that allows for the viewing and modification of CAMA data, building sketches, imagery, street front photos and analytics. The effects of this software include optimized property tax revenues by revealing hidden omissions or inaccuracies in assessment data, ensuring uniformity and equity in the CAMA data, ensuring compliance with reassessment and re-inventory standards set by the International Association of Assessing Officers (IAAO), and reduced costs through increased productivity and less adhoc data maintenance and fewer onsite inspections.¹ The returns on investment just from the initial software implementation and use in pilot project areas are as follows:

- Commercial properties:
 - o Full market value: \$6,816,416
 - o Assessed taxable value: \$2,271,911
 - o Estimated taxes in dollars: \$114,100

- Residential Properties:
 - o Full Market value: \$15,028,546
 - o Assessed taxable value: \$5,009,515
 - o Estimated tax in dollars; \$200,000

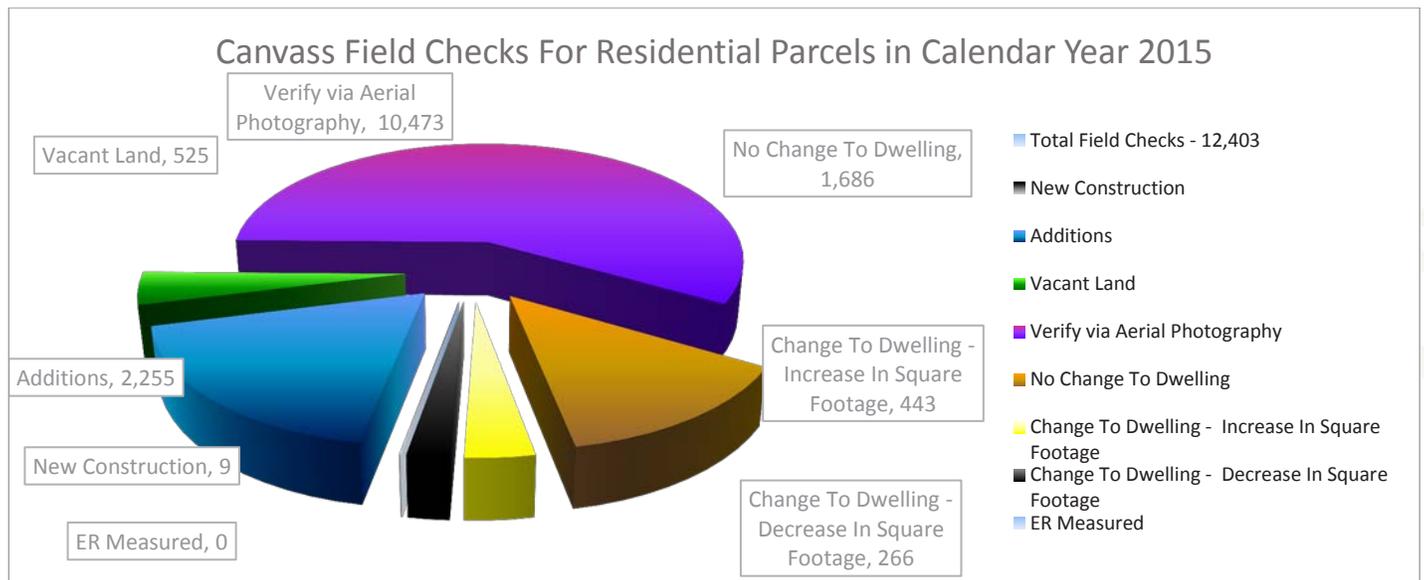
- Total added Tax Revenue: \$314,100

The total net taxable value for real property increased from \$14,238,868,782 in 2015 to \$14,695,334,844 in 2016 for an overall increase of 3.2058%. The revenue generated by this value ensures the delivery of central services and pertinent infrastructure for the property owners and residents of Bernalillo County.

Additional efforts during the reassessment program initiative utilizing photo-imagery and other review and analysis techniques have resulted in the identification and contributory valuation of properties previously not recorded in the CAMA system. By utilizing the capabilities of the newly implemented desk-top software, the software increases the optimization of property reviews, and thus property tax revenues. One such endeavor using an imagery reviewing feature called “Change Finder” identified a number of parcels that had additions to the property from 2015 to 2016 that culminated in contributory value to the property. The financial results of the analysis are as follows:

- Total value: \$14,080,521
- Taxable value: \$4,693,507
- Approximate tax dollars realized: \$140,806
 - o (NOTE: the approximate tax dollar value is based on the mill rate for 2015. The actual value for 2016 is dependent on the mill rate set by the Treasurer’s Office this year.)

The Assessor’s Office will continue to dedicate time and efforts committed to these initiatives, as one of the core values of the office is that information recorded in the CAMA system is current and correct to ensure that all property owners are assessed fairly.



¹<http://esri.ca/en/content/assessment-analyst>

REVIEW OF 2015 OPERATIONAL RESULTS AND GOALS BY DEPARTMENT

Special Assessment Department

In the first calendar quarter of 2016, the Agricultural Department was merged with the Research and Information Department to create the Special Assessments Department. The merger is a strategic realignment as these two departments have considerable inter-operability. Therefore, the merger will simplify organizational structures and enhance operational efficiencies and effectiveness. Cross-training of staff within the newly formed department offers flexibility in task assignments to and achievements by department staff. Additionally, the seasonal nature of tasks in the two departments lends to more efficient use of manpower with the goal of reducing the need of re-assigning employees to cover peak workloads.

Agricultural Appraisal

Responsibilities

The Agriculture Department assists the Assessor in complying with State Statute § 7-36-20 NMSA 1978 (Special method of valuation; land used primarily for agricultural purposes) and the New Mexico Taxation and Revenue Department Property Tax Division (PTD) Rules and Regulations by maintaining all applications and related records regarding the Special Method of Agricultural Valuation on land used primarily for agricultural purposes. The governing principles of the Assessor's Office ensure the fair and equitable treatment of all property owners.

Other State Statutes and regulations include:

- NMSA §7-36-21 Special method of valuation; livestock.
- NMSA §7-38-35 Preparation of property tax schedule by assessor.
- NMAC §3.6.5.27 Special method of valuation – land used primarily for agricultural purposes.

2015 Accomplishments

By the end of 2015, the Agricultural Department completed a canvass of all 4,205 parcels that have the Special Method of Agricultural Valuation applied to the property assessment. The project was completed in two years, starting in late 2013 and finished timely in 2015. The canvass ensured that all properties receiving the Special Method of Agricultural Valuation were accurately assessed and compliant with the State Statutes and regulations, as listed above. Furthermore, the canvass acquired information and other documentation to substantiate granting the application of the Special Method of Agricultural Valuation. During 2015, approximately 1,600 parcels were reviewed for compliance purposes. The canvass resulted in amendments to 571 properties that were receiving the Special Method of Agricultural Valuation. Starting in 2016, the department lists 3,524 approved agricultural parcels in the CAMA system (a reduction of 681 parcels, or -16.19%). For 2016, the department has priority flagged 129 agricultural parcels for review and confirmation, along with scheduling 2,000 field inspections that are part of the bi-annual review that will be conducted during the year. The bi-annual review is a strategic practice of the department with the premise of data being current and correct in the CAMA system. The quality checking aspect of the canvass procedure offers the opportunity to discover any parcels that may have structures or other characteristics that would be considered "real property". The information of any parcels exhibiting these characteristics would be forwarded to the Residential Appraisal Department for further review and analysis for any determination and recording of contributory valuation, if appropriate, in the CAMA system.

Per Statute 7-38-35, all livestock reports received are processed by the department by October 1 of each year.² Correspondingly, an additional effect of the execution of the canvass plan resulted in approximately \$2 million dollars of livestock value added to the 2016 livestock tax roll. In 2015, the livestock tax roll consisted of approximately 850 accounts reported for taxation purposes. To date in 2016, 22 livestock accounts were inactivated, leaving 828 as active (a reduction of -2.59%).

The department had other accomplishments that were attained in 2015, and has set goals for achievement in 2016. The 2015 accomplishments are listed below, as well as the goals for 2016, with corresponding discussions of their purposes.

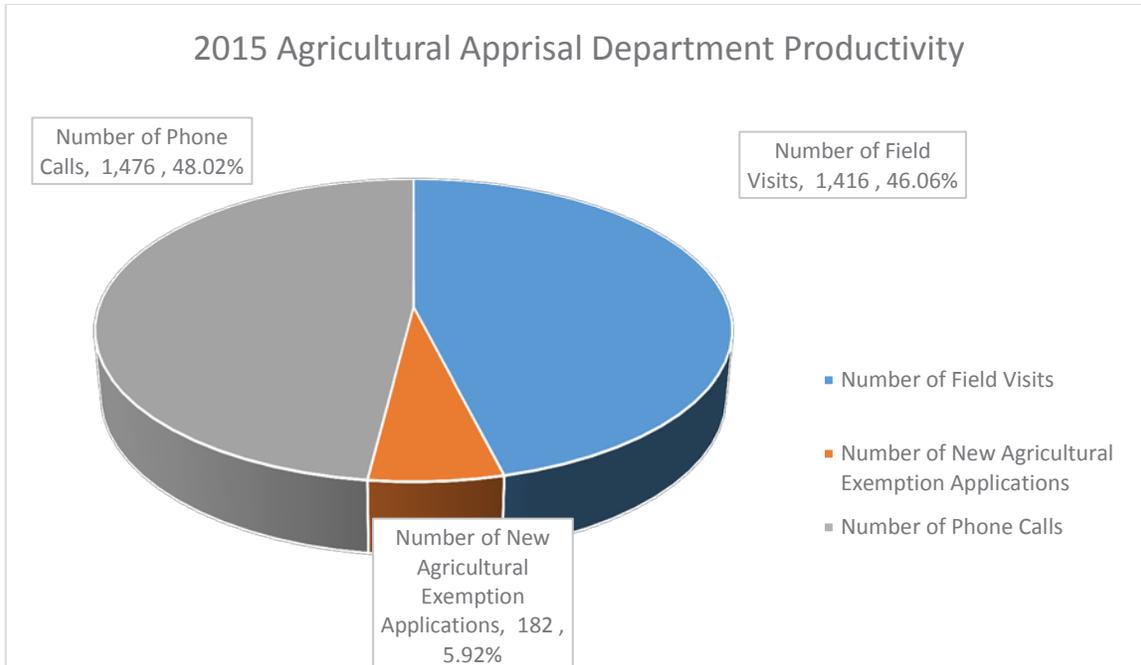
Additional Accomplishments

- Received 1,478 phone calls
- Conducted 1,416 field visits
- Reviewed and processed 182 new agricultural exemption applications

2016 Goals

Goal - In 2016, the department will increase its alliance with the other appraisal departments in the office to establish a more collaborative cross-functional operation to achieve agency-wide organizational goals and objectives.

Purpose of Goal – The collaboration includes, but is not limited to, reviews of building permits, field inspecting and measuring residential parcels, and other strategic and tactical objectives that are not solely focused on agricultural parcels. The cooperative effort is to ensure that valuations maintained for all appraisal departments in the CAMA system are current and correct.



² NMSA §7-38-35: Preparation of property tax schedule by assessor

The chart above summarizes the operational activities the staff of the Agricultural Appraisal Department focused on in 2015. Each "Pie Slice" illustrates the activity as well as the percentage of their efforts dedicated to each activity.

Research and Information

Responsibilities

The Research and Information Department (hereafter R&I) manages a database that includes every exempt parcel receiving a Special Method of Valuation or Exemption that is granted by the New Mexico State Constitution. The granting or denial of exemption guidelines by which the department is required to uphold are defined in the New Mexico Constitution, Section 8, Article 3. It partially reads, "...all counties, towns, cities and school districts and other municipal corporations... all church property not used for commercial purposes, all property used for educational or charitable purposes...and all bonds of the state of New Mexico, and of the counties, municipalities and districts thereof shall be exempt from taxation."³ This is distinguished from the office's Customer Service Department whose exemption granting or denial is guided and governed by State Statute. (Note: The listing of State Statutes for the Customer Service Department are discussed in that segment of this report.)

The department reviews applications for exemption to ensure compliance with statutory requirement, as well as performs customary inspections of exempted properties. Based on its research and findings, the department makes recommendations to the Assessor whether to grant or deny partial or total tax exemption status to applying organizations. All properties that qualify for the exemption are field checked the first year the property owner submits an application for exempt status. During 2015, 47 exemption applications were received, with 34 applicants receiving full exemption, 2 receiving partial exemption and 11 applications were denied exemption status. To date in 2016, the department has conducted 51 field visits regarding new applications for exemption from taxation. The field reviews resulted in 46 applications being granted full exemption status, 1 application receiving a partial exemption, and 4 applications being denied taxation exemption.

The department is also responsible for scheduling protests initiated by property owners who do not agree with a value or values recorded on their Notice of Value (NOV). If a property owner disagrees with the valuation information contained in the notice, they have the right to put on record their protest of that value.⁴ The department is tasked with recording the property owners initial protest notification, and then subsequently arranging a preliminary "informal" discussion between the property owner and an appraiser with the intent of resolving the valuation issue. If the informal hearing discussion does not resolve the valuation issue, then an ensuing hearing before an independent Bernalillo County Valuation Protest Board is scheduled. In 2015, the department scheduled 5,001 protests, down from 5,033 in 2014 and 5,918 in 2013.

Per Statute 7-38-30, the department also has the responsibility of processing the Centrally Assessed accounts that are reported to the Assessor's Office by June 1 of each year by the State Property Tax Division (hereafter PTD).⁵ These properties account for approximately \$1.2 billion dollars of non-residential tax base. This includes reconciling values rendered to PTD and creating the Centrally Assessed Tax Roll in the CAMA system.

The department maintains database information that identifies and annually updates the levies of all properties that are in Public Improvement Districts (PID's) or Tax Incremental Development Districts (TIDD's). The current count of these types of properties represent 4,759 parcels of land in Bernalillo County.

3NM Const. art. 8, § 3.

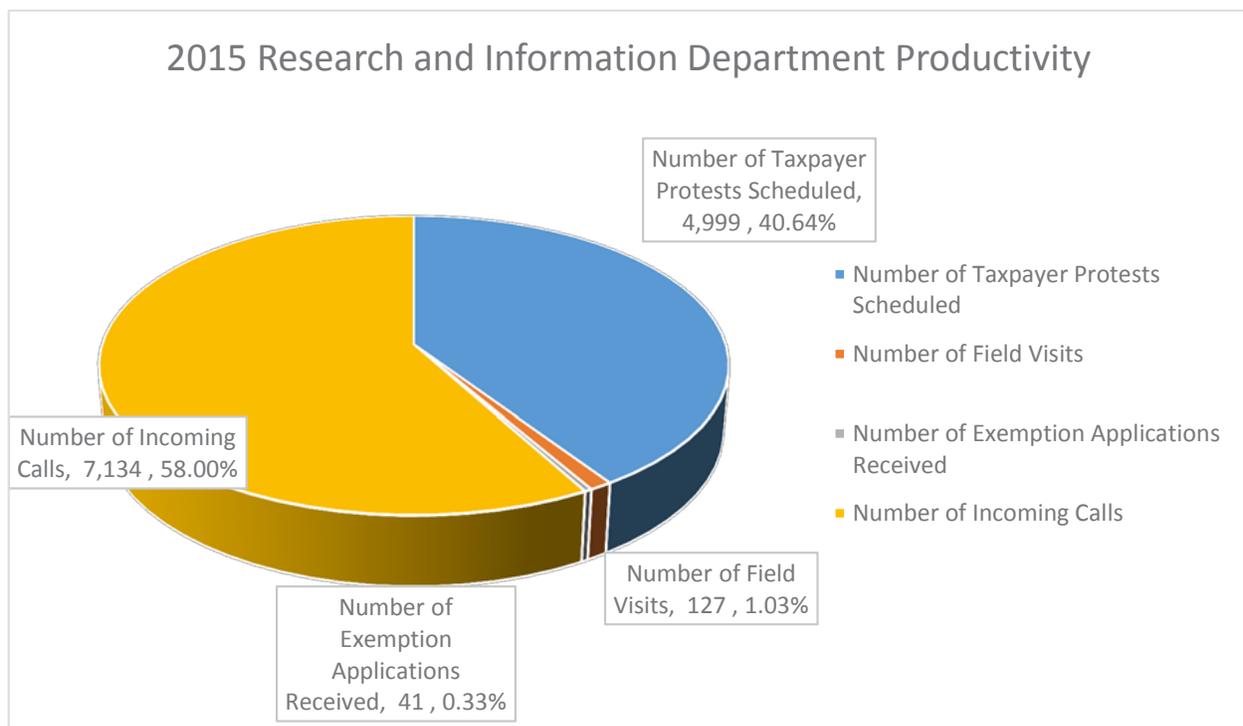
4NMSA §7-38-20. County assessor and department to mail notices of valuation

5 NMSA §7-38-30. Department to allocate and certify valuations to county assessors.

The City of Albuquerque, Bernalillo County, and the State of New Mexico all can issue Industrial Revenue Bonds (IRB's) on property in Bernalillo County. The R&I Department reconciles with the agencies in order to make sure exemptions related to IRB's are properly applied. The R&I Department also track properties that are associated with IRB's or Hospital Bonds as these properties are exempt from property taxes until the bonds debts are satisfied.

Other State Statutes and regulations include:

- NMSA §7-36-3. Industrial revenue bond, pollution control bond and economic development bond project property; health-related equipment; tax status.
- NMSA §7-36-7. Property subject to valuation for property taxation purposes.
- NMSA §7-37-5.4. Property owned by a disabled veteran is exempt from a special benefit assessment.
- NMSA §7-38-17. Claiming exemptions; requirements; penalties.
- NMSA §7-38-21. Protests; election of remedies.
- NMSA §7-38-22. Protesting values, classification, allocation of values and denial of exemption determined by the division.
- NMSA §7-38-23. Protest hearings; verbatim record; action by hearing officer; time limitations.
- NMSA §7-38-24. Protesting values, classification, allocation of values and denial of exemption or limitation on increase in value determined by the county assessor.
- NMSA §7-38-26. Scheduling of protest hearings.
- NMAC § 7-38-29. Retention of hearing records.
- NM Constitution article 8, § 1



The chart above summarizes the operational activities the staff of the Research and Information Department focused on in 2015. Each "Pie Slice" illustrates the activity as well as the percentage of their efforts dedicated to each activity. The total financial value of exempt properties is \$9,165,068,523.

The department had other accomplishments that were attained in 2015, and has set goals for achievement in 2016. The 2015 accomplishments are listed below, as well as the goals for 2016, with corresponding discussions of their purposes.

Additional Accomplishments

- Handled 7,134 incoming phone calls
- Conducted 127 filed visits
- Received and reviewed 41 exemption applications

2016 Goals

Goal – As Notices of Value (NOV's) are customarily mailed out on April 1 of each year, one of the department's critical goals is to review the current process of scheduling protest hearings in front of an independent Bernalillo County Valuation Protest Board requested by property owners to ensure scheduling within 10 business days, if not sooner.

Purpose of Goal – Per New Mexico State Statute (NMSA §7-38-27, paragraph C), "All protests shall be decided within one hundred eighty days of the date the protest is filed."⁶ Under the requirements of this statute, depending on the method in which the protest request was received (e.g., in person, by email, etc.), the office's procedures direct the department to schedule the protest into the Assessor's CAMA system within two days of receipt. It is requisite that the department ensure that all property owners who want to exercise the due process protest procedures have their requests promptly and accurately recorded for any subsequent procedures and data recording and tracking.

Goal – Information regarding properties that are under the Industrial Revenue Bond (IRB) tax exempt status that are currently recorded in hard-copy file format will be incorporated into the Assessor's electronic-based CAMA system.

Purpose of Goal – Migrating away from hard-copy file format toward paperless (electronic-based files) allows for the information to be accessed by any Assessor staff in a much more efficient manner. The information can be accessed from any authorized computer station, and procedures such as information queries, used for analytical purposes, are greatly enhanced. Additionally, updates to parcel records can be executed and accomplished in a "real-time" update methodology.

Goal – The department will conduct its annual review of the issuance of Industrial Revenue Bonds (IRB's).

Purpose of Goal – As the state issues IRB's pursuant to the Industrial Revenue Bond Act, the department wants to ensure that the proceeds from the bond(s) meet the eligibility requirements per the Act, as well as ensure that properties that are no longer tax exempt per IRB rules are placed back on the tax roll.

Goal – Properly account for Public Improvement District (PID) and Tax Incremental Development District (TIDD) properties.

Purpose of Goal – To ensure that all parcels in PID or TIDD are identified and tracked so that any appropriate tax levy is applied allowing the Treasurer's Office to add that levy amount to their tax bill.

⁶ NMSA §7-38-27: Protest hearing; verbatim record; action by county valuation protests board; time limitations.

Business Personal Property

Responsibilities

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

Business property reports submitted to the Assessor's Office 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.

The department continues its collaboration with PTD on the revision of the Business Personal Property Valuation Guidelines publication. The purpose of the publication is to “provide county assessors, county and state appraisers...guidelines to value personal property of typical business enterprises.”⁷

Other related State Statutes include:

- NMSA §7-36-8 Tangible personal property exempt from property tax; exceptions.
- NMSA §7-36-33 Department of finance and administration to set tax rates.
- NMSA §7-38-8 Reporting of property for valuation; penalties for failure to report.

2015 Accomplishments

Each December, businesses receive via mail a report generated by the BPP 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. During 2015, the department worked with software vendor Tyler Technologies to continue to improve the effectiveness of a software online application called “E-File.” The E-File online service is a system for submitting documents to BPP through the internet or direct connection, usually without the need to submit any paper documents. Benefits of this system include freeing staff from labor-intensive hard-copy management and streamlining work-flow processes. In 2015, the number of reports submitted via E-File was 405. To date in 2016, the number of reports submitted to the department is 12,430, with 817 (6.57%) being submitted via E-File. The department anticipates the E-File numbers to incrementally increase each year as property owners become more aware of and familiar with the E-File availability. The department will continue monitoring the use of the E-File software application to determine ease of use by the property owner, evaluate effectiveness of the software and what additional improvements or enhancements are called for, and analyze the inter-operability of the software with current operating procedures for continuous improvement of business practices.

The department had other accomplishments that were attained in 2015, and has set goals for achievement in 2016. The 2015 accomplishments are listed below, as well as the goals for 2016, with corresponding discussions of their purposes.

⁷ New Mexico Taxation and Revenue Department Property Tax Division Business Personal Property Valuation Guidelines, 2015, page 1.

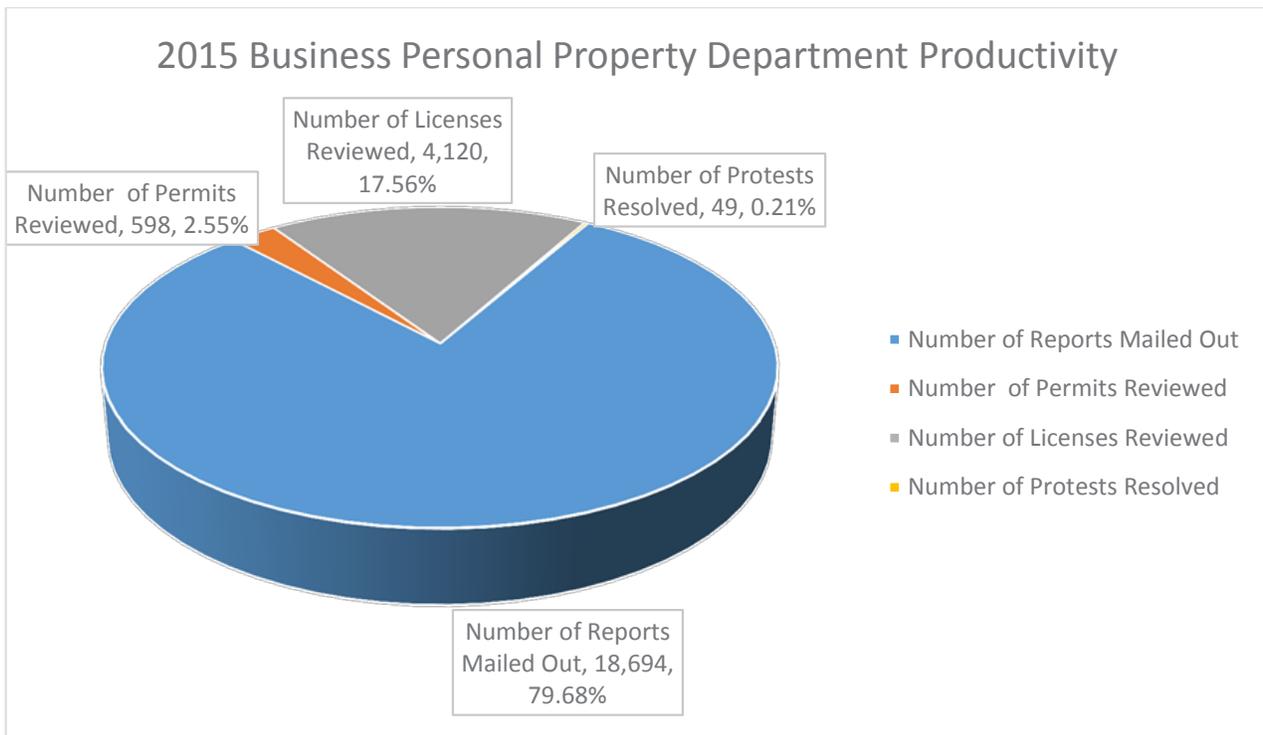
Additional Accomplishments

- In January of 2016, 18,694 reports were mailed out.
- Reviewed 598 building permits
- Processed and reviewed 4,120 business licenses
- Conducted 49 property valuation protests inquiries

2016 Goals

Goal – Implement a more effective procedure effecting the process of receiving returns of the Bernalillo County Personal Property Business Equipment Report form.

Purpose of Goal – Under the current procedures, too high a percentage of businesses continue to not comply with the requirement of completing and returning the business equipment reports despite two compliance letters mailed regarding this matter. This non-compliance produces a negative financial impact on the tax rolls. More importantly, non-compliance is against the Assessor’s principles to treat all property owners fairly and equitably. The Assessor’s Office will create a level playing field for businesses by ensuring uniform compliance.



The chart above summarizes the operational activities the staff of the Business Personal Property Department focused on in 2015. Each “Pie Slice” illustrates the activity as well as the percentage of their efforts dedicated to each activity. An essential Business Personal Property process that is performed annually is the “Rendition” process. The total financial value of the process for 2015 is \$1,312,032,463, with a taxable value of \$439,970,713. For 2014, the total financial value was \$1,273,988,835, with a taxable value of \$424,620,479. This is an increase of \$15,350,234, or 3.489%.

Commercial Appraisal

Responsibilities

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, and gathering sales data and assisting the property owners as necessary in related matters. Valuation is derived by measuring land and buildings, gathering building component and sales data, income and cost data, and reviewing, analyzing and completing all necessary paperwork for purposes of supporting documentation.

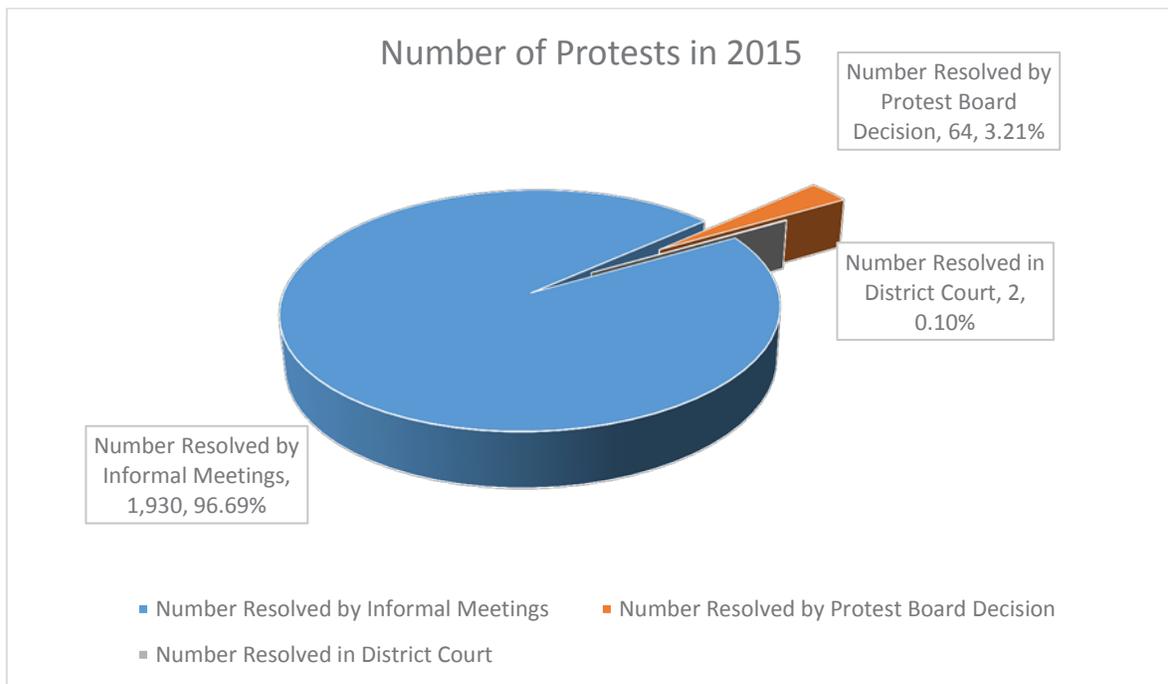
Other State Statutes and regulations include:

- 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.

2015 Accomplishments

The number of commercial parcels listed in the CAMA system went from 15,539 in 2015 to 15,404 in 2016 (a reduction of less than 1%), due to residential parcel sub-division creation that was performed during the parcel “package” development process. The package process is the development of documentation when there is a change to the specification of a parcel. This documentation is the supporting evidence for establishing new parcels within the county, or deleting parcels from the county’s assessment rolls. When a large acreage parcel that is zoned as Special Use (“SU”) is purchased by a contractor who then breaks the acreage into much smaller parcel segments, the Land Use Code in the CAMA system is changed. The effect of this change is to have the acreage in question shift from a commercial parcel to a residential parcel. As is sound appraisal practice and 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. This is performed and completed to ensure the data contained in the CAMA system is current and correct and among other standards, parcels are appropriately classified in the CAMA system. From the beginning of the most recent canvassing initiative, 7,015 parcels had been canvassed by the end of 2014, and 10,019 have been canvassed by the end of 2015. Additionally, 1,485 building permits were reviewed, 201 of which resulted in adjusted values to a parcel.

A critical goal every year of the Commercial Appraisal Department is to address and resolve all property valuation protests filed by either commercial property owners or their designated agent. For calendar year 2015, 1,997 protests were filed and 1,930 were resolved through informal conferences between the Commercial Appraisal Department and the property owner or their designated agent. This is a successful resolution rate of 96.69%. Sixty-four protests proceeded through an additional procedure of being heard by the independent Bernalillo County Valuation Protest Board for their ruling on the proper valuation of the property. This resulted in a resolution rate of 3.21% for this procedure method. Two protests proceeded to the utmost process of being heard in the Bernalillo County District Court for the court's ultimate verdict on the proper valuation of the property. This is a resolution rate of .10% for this procedure method.



The charts above summarize the operational activities the staff of the Commercial Appraisal Department focused on in 2015 during the property owner protest period. Each "Pie Slice" in the second chart illustrates how protests were resolved in 2015. 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.

The department created 5 new land descriptions, which better identifies vacant land parcels with special valuation characteristics (i.e., arroyos, easements, parks, etc.). These new descriptions will ensure these types of parcels will be properly classified in the CAMA system and will accurately reflect the contributory valuation associated with the classification.

The department had other accomplishments that were attained in 2015, and has set goals for achievement in 2016. The 2015 accomplishments are listed below, as well as the goals for 2016, with corresponding discussions of their purposes.

Additional accomplishments:

- Canvassed 3,778 commercial properties
- Performed 2,160 field checks
- Mailed out 1,434 sales questionnaires
- Performed sales analysis on 687 properties
- Received 2,580 phone calls
- Reviewed 112 new construction properties
- Analyzed 2,027 properties with changes in value

2016 Goals

Goal – Analyze and revise the current permit review process for improved analytical and statistical purposes.

Purpose of Goal – This will have a positive impact on the review of 1,400 building permits during 2016. To ensure accuracy in updating information to the Assessor’s Computer-Assisted Mass Appraisal (CAMA) database so when contributory value is entered, the assessment roll is current and correct. Revision of process will include re-evaluation of distribution and assignment of person-hours to the process.

Goal – Review and revise the property valuation protest inquiries process.

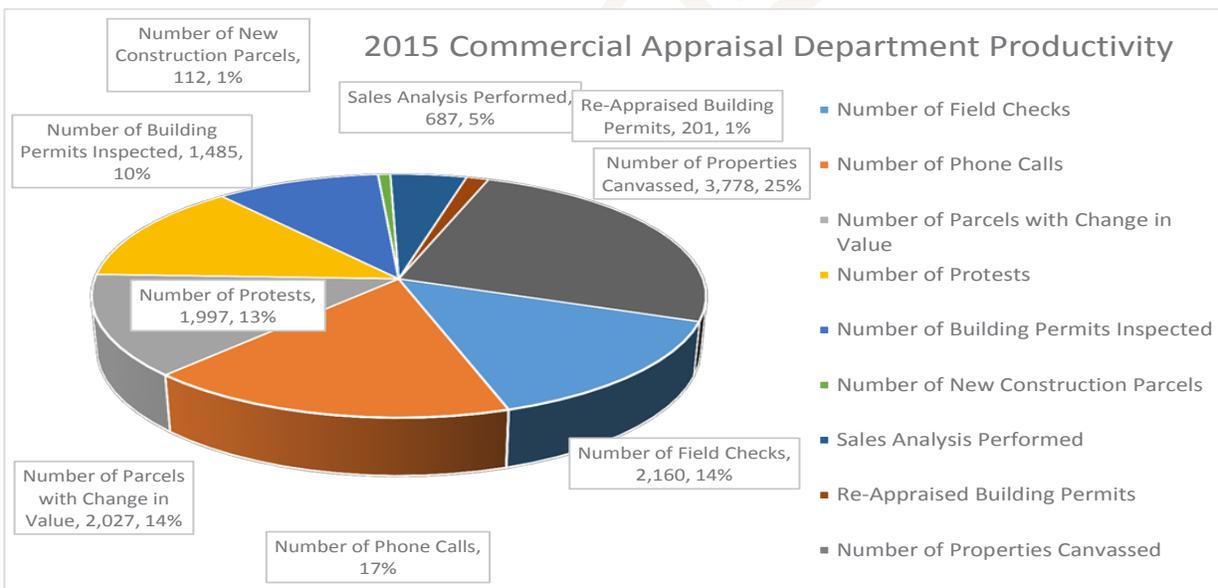
Purpose of Goal – To analyze and resolve property owner protest issues in an accurate and timely manner to ensure all information in the CAMA system is current and correct.

Goal – Re-initiate the review and analysis of multi-family parcels and conduct field visits, as necessary.

Purpose of Goal – This tactical procedure was last undertaken and completed in 2005. The underlying premise for this effort is to quality check the data contained in the CAMA system for accuracy and equity among like parcels.

Goal – Review and analyze parcels with land acreage values listed in the CAMA system by size that are between two and five acres and in various areas of the county.

Purpose of Goal – This “Increment/Decrement” price per square footage review and analysis is based on the purpose of identifying any disproportionate differences in sales prices based on the size of the parcels acreage and areas of the county where the parcels are located. This type of review has not been initiated since 2005.



Customer Service

Responsibilities

The Customer Service Department has a wide variety of responsibilities, such as answering property owner inquiries, data entry into the CAMA system from forms, various applications, documents of conveyance and affidavits required to be filed at the Assessor's Office. These are submitted to the department through property owner walk-ins, mailed in information, or other means of receiving property owner information. Data entry is comprised of deeds, exemptions, mailing address changes, and Value Freeze applications. Additionally, the customer service staff codes all deeds that the department receives from the Bernalillo County Clerk's Office, individual property owners and title companies. The Title Abstractor and Informational Research analyst function ensures consistency regarding document quality and accuracy to ensure proper chain of title indicated on the deeds being submitted are acceptable and accurate. These distinct areas of responsibility are inter-linked to work in unison to ensure that the Assessor's Office has the correct property owner's information reflected the CAMA system.

The department has a high degree of interface with the property owners in the county. In 2015, 8,400 "walk-in" property owners received service, and another 32,588 incoming property owner telephone calls were attended to by the staff of the department. To date in 2016, the department has greeted 1,582 walk-in property owners and has received 5,274 telephone calls.

The department is governed by, among others, New Mexico State Statute 7-37-4, which refers to the Head-of-Family exemption⁸. In 2015, 5,272 property owner applications for this exemption were processed. To date in 2016, 1,199 applications for this exemption have been received and processed. This area of operations continues to be a key area of emphasis regarding clearly informing the public about the exemption process and the availability of and benefits the exemption offers to them.

Other related State Statutes include:

- 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

2015 Accomplishments

The department had a target of completing 100% entry of all data into the CAMA system and maintaining the 100% completion rate throughout the year. This will ensure that the CAMA system has the most current and correct property owner information. The department has taken the initiative to cross-train its entire staff on the various operational processes of the department to allow better coverage and create fewer backlogs of paperwork processing when the department is not fully staffed due to annual or personal leave or other staffing considerations. Cross-trained staff can respond more efficiently to the constituents of the county, and can adapt to the changing needs of the office and property owners. Cross-trained staff will also reinforce the achievement of the 100% completion rate of all data entry.

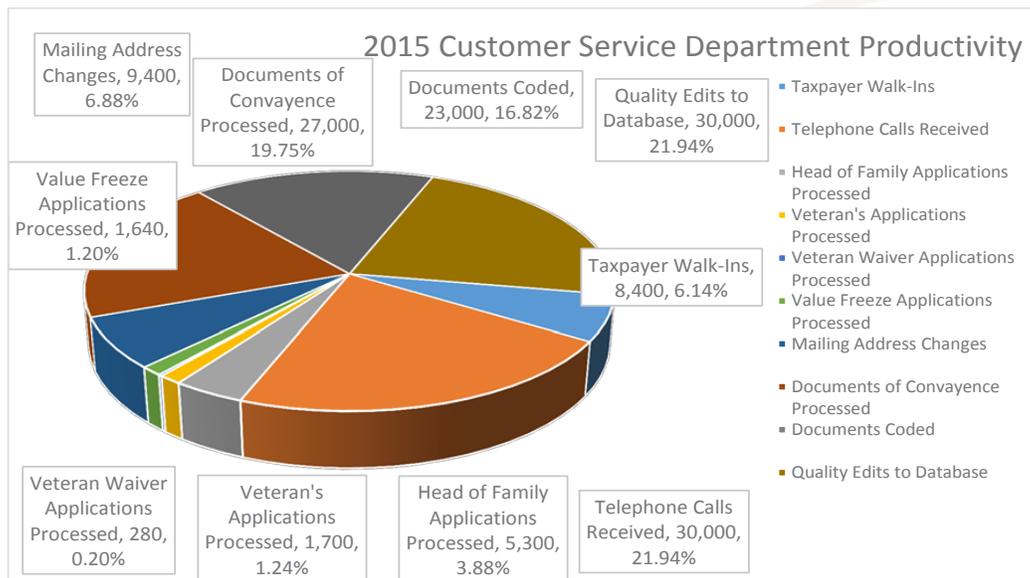
⁸ NMSA §7-37-4: Head-of-Family exemption

A new full-time position titled Information Analyst was created in 2015, with the initial primary focus of developing and executing quality control queries on all deed and exemption transactions to ensure the exemptions are properly being applied to properties. The goal is to identify data errors in the system, correct the errors and reduce the error rate for the year. This process is called “Translog.” The department has reduced the translog error rate from the 2014 rate of 14.85% to the 2015 rate of 9.87%, a reduction of -4.98%. The target error rate for 2016 is 6.5%.

Another improvement in the operations of the department is the reduction in deed entry cycle times. This is the period of time it takes from the receipt of a deed to when the deed is entered into the CAMA system. The reduction in entry cycle time has dropped from three weeks to an average of 5 days. Starting in the fall of 2015, the department has been creating training materials based on the standardized exemptions and deed data entry processes. Actual training on these process topics began in March of 2016. The training provides a means to achieve the goal of reducing errors by giving staff the tools and knowledge necessary to achieve error rate reduction objectives.

The department supervisor created two steering committee teams led by employees to standardize the exemptions and deed entry processes. The committees had a discernable impact on the reductions in error rates, as well as revisions and improvements to the business processes implemented and utilized by the department. Resultant benefits include providing sufficient staff coverage to switchboard and the front-counter by allocating the switchboard tasks among the staff and placing those individuals on rotating schedules to provide sufficient customer service to the county’s constituents. The improvements to the level and quality of customer service are exemplified by having an employee from the department be named as one of the county’s employee of the month.

The department had other accomplishments that were attained in 2015, and has set goals for achievement in 2016. The 2015 accomplishments are listed below, as well as the goals for 2016, with corresponding discussions of their purposes.



The chart above summarizes the operational activities the staff of the Customer Service Department focused on in 2015. Each “Pie Slice” illustrates the activity as well as the percentage of their efforts dedicated to each activity.

Additional Accomplishments:

- Processed 5,300 Head of family applications
- Processed 1,170 Veteran applications
- Processed 280 Veteran waiver applications
- Processed 1,640 Value freeze applications
- Processed 9,400 Mailing address changes
- Processed 27,000 Documents of conveyance
- Coded 23,000 documents
- Performed 30,000 quality edits to database

2016 Goals

Goal – Create foundational and refresher training of the standardized exemptions and deed data entry processes in an online delivery modality.

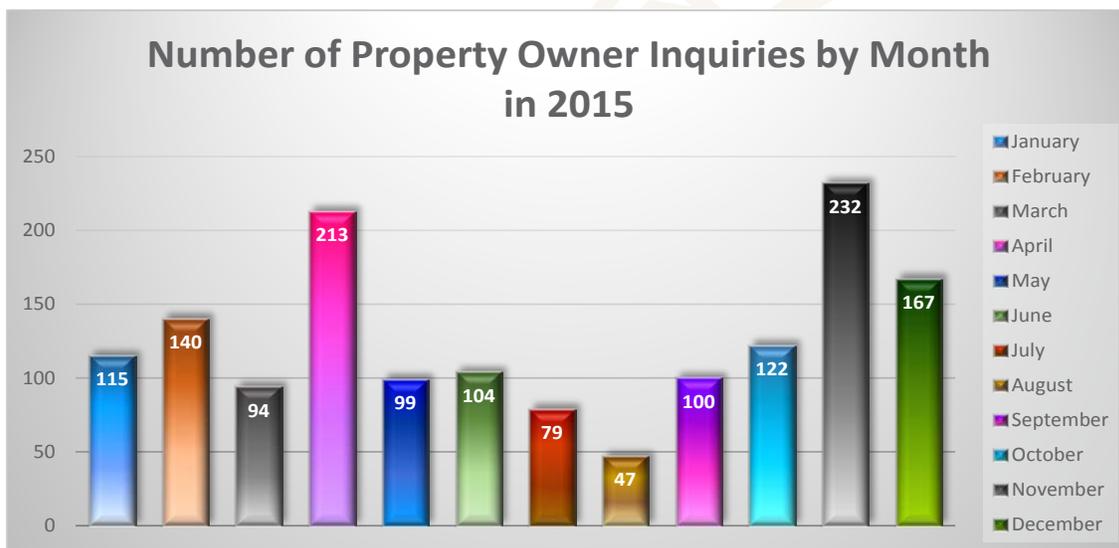
Purpose of Goal – Offering employees training on key operational processes in this methodology allows for enhanced training and retention opportunities. Enhancements include, but are not limited to convenience and flexibility where the department has the opportunity to plan an employees' study time around the rest of their work schedule instead of around traditional in-class training schedules.

Goal – Quality correction of Veteran's exemptions in Database.

Purpose of Goal – Ensure the correct entry of data in the database to make sure all records have the proper case number and applicant information. The department can attest and support that all data contained in the database is current and correct.

Goal – Reduce paper use by 50% this year.

Purpose of Goal– The purpose is to be more fiscally responsible to this office and the county by minimizing the use of paper and executing more processes electronically.



GIS/Mapping

Responsibilities

The GIS/Mapping Department provides parcel and spatial database management of all real property located within the boundaries of Bernalillo County by the use 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.

The mapping functions performed by the GIS/Mapping Department are essential in supporting accompanying business operations to all aspects of the office's processes. One of the three fundamental principles of the office is where a parcel is located, accurately and timely identifying and diagramming new parcels or changes to existing parcels into the office's technological infrastructure is paramount to the successful completion of the office's goal and objectives.

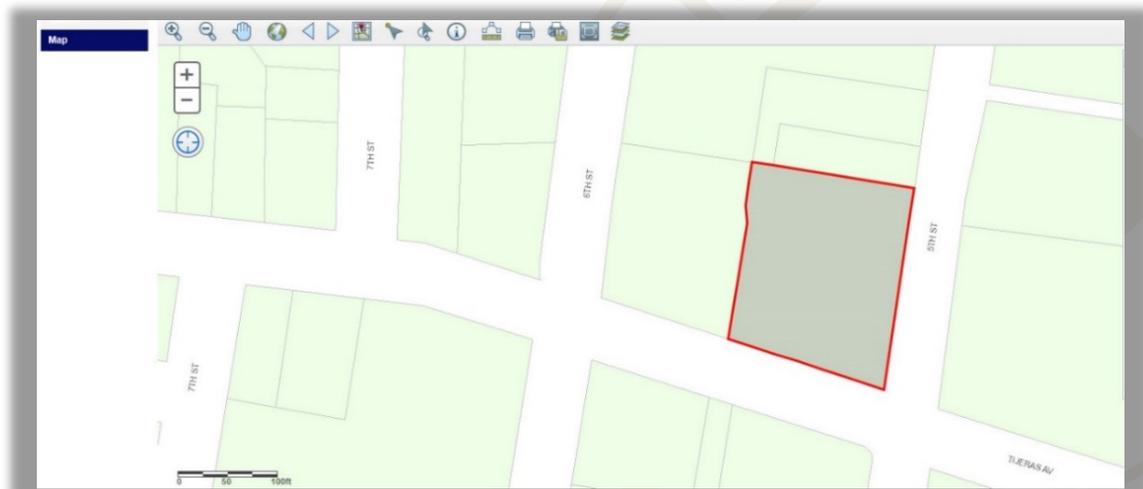
The department follows and abides by the tenets stated in the New Mexico Administrative Code. Code 3 NMAC 6.7.17.2 states in part, "The department and all county assessors shall substantially comply with the current New Mexico Mapping Manual prepared by the division pursuant to Section 7-35-4 NMSA 1978." ⁹

The department also follows the instructions and guidelines on cadastral mapping as specified in the New Mexico Taxation and Revenue Department's Property Tax Division parcel handbook published in 2001. The handbook defines the standards to which the department is required to conform.

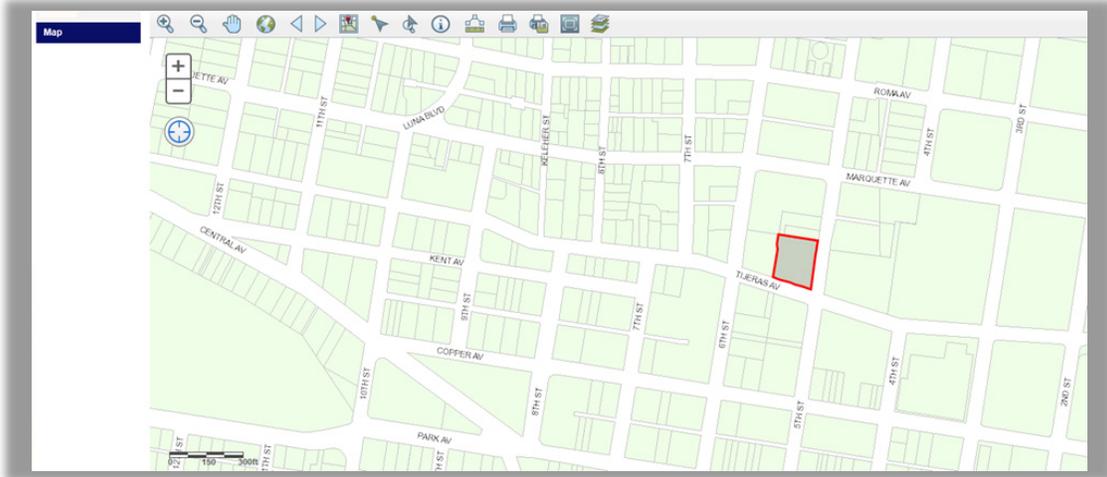
2015 Accomplishments

The GIS/Mapping Department worked in collaboration with the Assessor's Information Technology Project Manager to design and implement a new internet capability allowing property owners to search for property related data on the Assessor's Public Access web site. The web site utilizes, among other attributes, GIS Map layering information that offers visual illustrations in a micro aspect of the features of a specific property or a more macro aspect of a neighborhood or larger geographic area.

Examples:

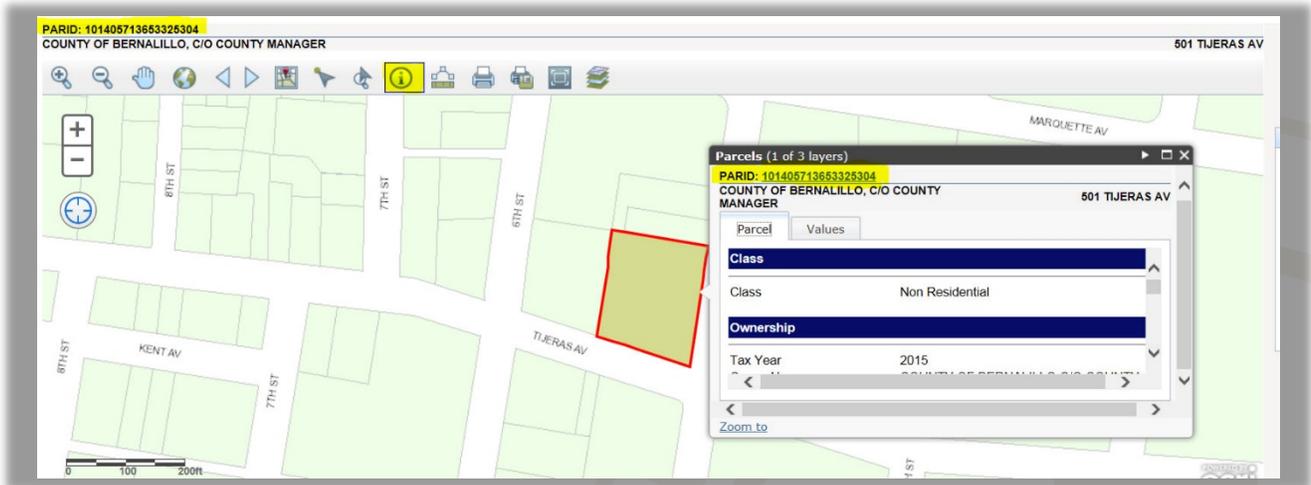


Micro Level View Pictured Above



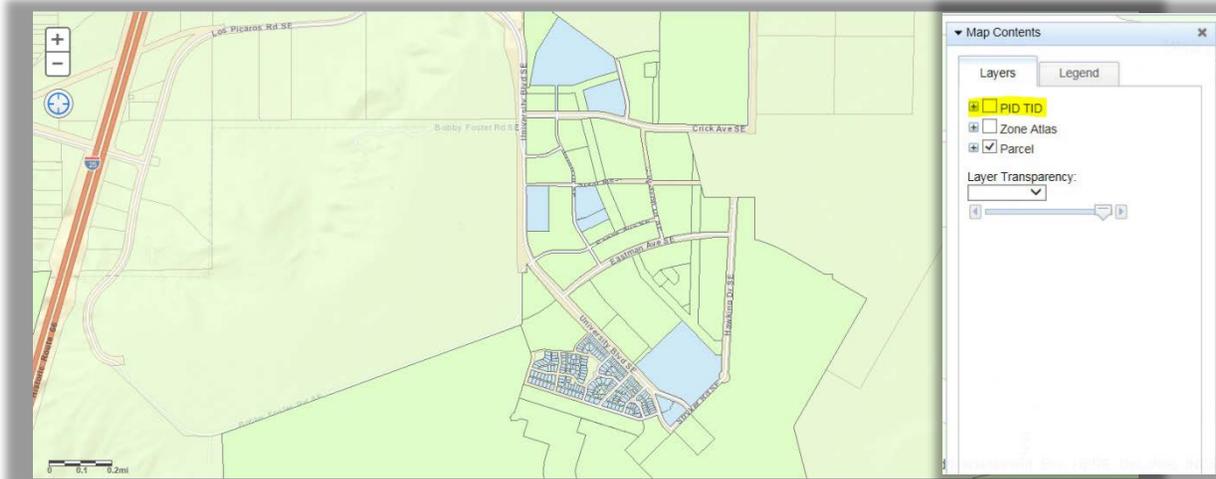
Macro Level View Pictured Above

The search tool includes a feature that allows the user to click on an “Information” function icon, then click on the parcel and get a window that displays information regarding the parcel.



Information Window

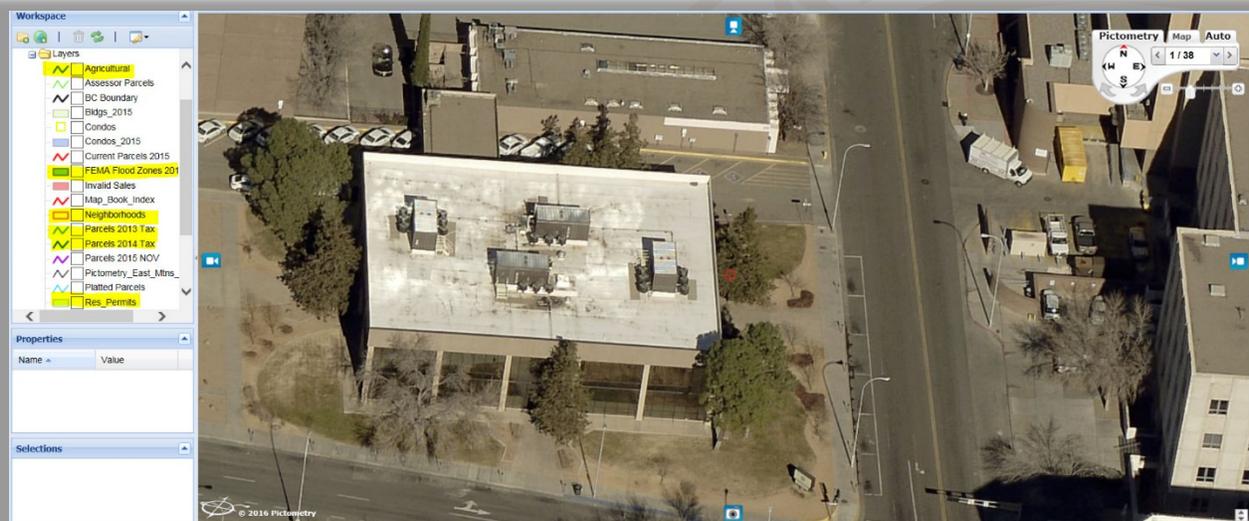
The Assessor's Public Access web site also has Public Improvement Districts (PID's) and Tax Incremental Development District (TIDD's) layer options available that utilizes the incorporation of the same GIS/Mapping technology.



The GIS maps exempld above are representative of improvements made to the mapped parcel information available to the public at large via the Assessor's record search feature on the web site. The improvements offer the property owner enhanced parcel layer information, as well as option selection flexibility for characteristic illumination.

The GIS/Mapping Department also provided new property attribute viewing layers such as Agricultural, Neighborhood, Public Improvement Districts (PID's), Flood Zones, Sales, Permits and Tax Districts to the Assessor's internal aerial photography application for the staff to view and use for property review analysis procedures.

See highlighted layer options below:



The GIS Mapping Department continuously strives to improve and expand access to and capabilities of parcel mapping images and data. This endeavor is one just one of the steps the office is taking to improve the span and level of customer service to the constituents of the county.

Manufactured Homes

Responsibilities

The Manufactured Home Department (hereafter MH) 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 deactivation/inactivation of property records in the Assessor's CAMA system.

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." Converting a property to real property status can cause an increase to the property's assessed valuation due to the change in property classification, thus timely and thorough review and analysis of a parcel by an MH Department appraiser is paramount to records in the CAMA system being current and correct. Records regarding properties converted to real property status are updated in the CAMA system, then the MH Department notifies the Residential Appraisal Manager of the conversion for their review and evaluation thereafter.

The proper classification of properties has been enhanced by the re-emphasis of the canvassing field check process. The department has intensified its canvassing procedures by having an appraiser conduct field checks of all dwellings in the CAMA system listed as manufactured homes. An appraiser hired in 2014 began the field checks in late October of that year, and continued the canvassing through the end of the calendar year which resulted in completing 327 field checks. In 2015, the field appraiser completed 2,220 field checks, an increase of 678.89%.

Other related State Statutes include:

- 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.

2015 Accomplishments

During the year, the department issued 2,809 tax releases to parties such as property owners, mortgage companies, title companies, and manufactured home dealers. This is a decrease of 127 from year 2014, or -4.33%. The department had an increase of 4.53% of deactivated/inactivated compared to 2014, from 353 in 2014 to 369 in 2015. New parcels created increased from 208 in 2014 to 367 in 2015, representing an increase of 76.44%.

Additional Accomplishments:

- Resolved 17 property owner protests.
- Received 11,225 phone calls.
- Received 2,638 requests for information.

2016 Goals

Goal – Canvass 3,000 manufactured homes parcels.

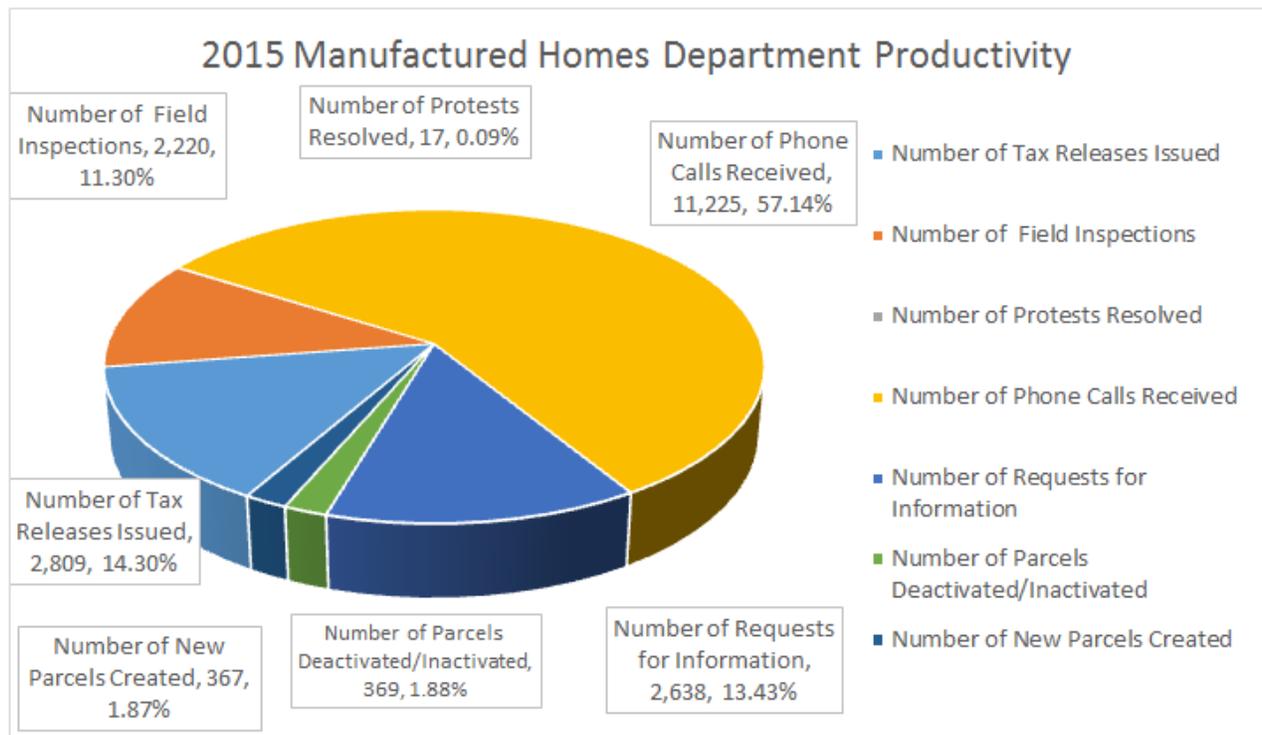
Purpose of Goal – This is a segment of the initiative to have all 13,195 manufactured homes parcel canvassed by the calendar year-end 2018.

Goal – Translate all English manufactured homes forms on the Assessor’s web site into Spanish.

Purpose of Goal – This will better serve the constituents of the county by recognizing the bi-lingual makeup of the county and offering forms and other documentation in a more diverse platform.

Goal – Organize and provide property owner outreach events for owners of manufactured homes.

Purpose of Goal – This initiative is purposed to increase the level and frequency of interactivity with the public at-large. The outreach program offers property owners informational presentations, as well as individual consultation opportunities for the property owner.



The chart above summarizes the operational activities the staff of the Manufactured Homes Department focused on in 2015. Each “Pie Slice” illustrates the activity as well as the percentage of their efforts dedicated to each activity. The total financial value of Manufactured Homes properties is \$135,769,898.

Quality Control

Responsibilities

Since the Quality Control Department (hereafter QC) was re-established in July of 2014, there are three main components that have been the epicenter of focus: quality control, quality assurance, and quality improvement. The QC Department has its underlying premise concentrated on the practice of monitoring the various business processes of the Residential Appraisal Department that supports the Assessor Office's mission of maintaining the highest possible standards and quality in the execution of the office's duties. Quality assurance facilitates management staff remaining aware of their departments goal of meeting or exceeding statutory, legal or other mandatory standards set forth on the office. Quality improvement is the process that enables the office to improve operational effectiveness and efficiencies and overall customer satisfaction to the constituents of the county. The QC Department is focused on internal business operations to ensure that data gathered by appraisers is entered into the Assessor's CAMA system timely, consistently, completely, and accurately. Additionally, the QC Department is responsible for ensuring that only meaningful and relevant information is recorded in the CAMA system.

2015 Accomplishments

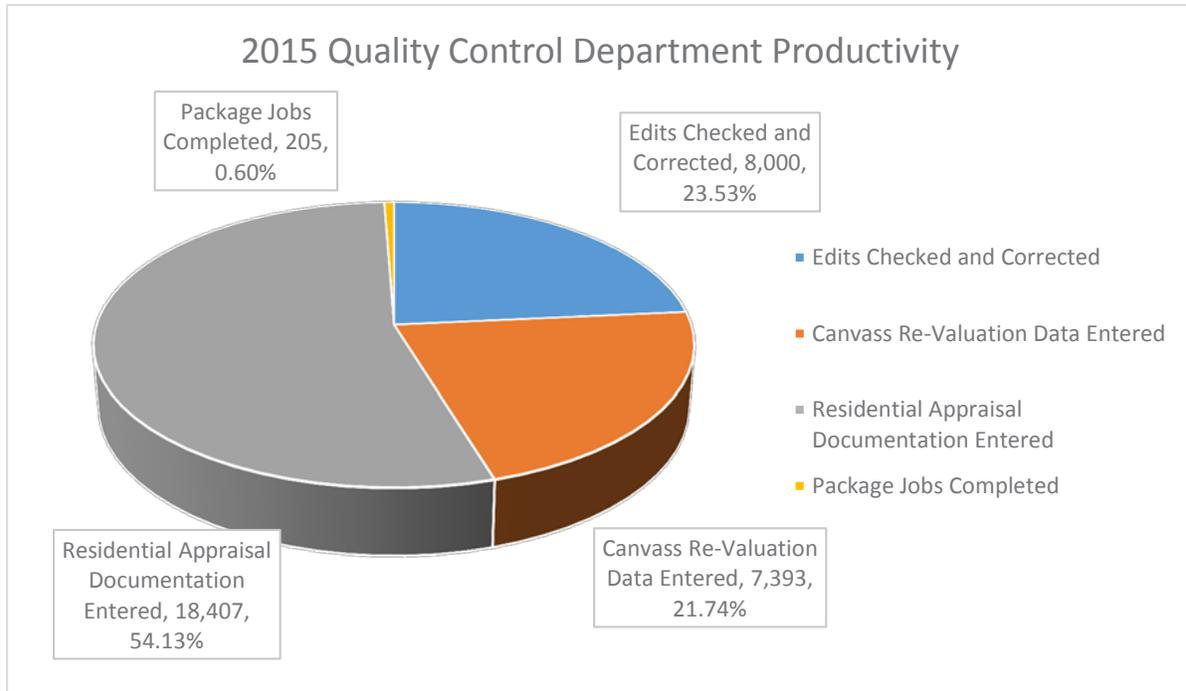
A vital aspect of QC's responsibilities is the review and analysis of the "Edits" report. This weekly report is scrutinized to determine, among other specifics, if characteristic changes (such as additions) to properties that indicate contributory value have the appropriate supporting documentation and updates are timely and accurately entered into the CAMA system. Additionally, QC reviews the edit report to ensure any newly constructed properties have been adequately assessed for value, any properties signaling converted types of use are properly reclassified and re-valued, if appropriate, and duplicate exemptions on properties are identified and corrected. In 2015, approximately 8,000 edits (or errors) were reviewed and corrected.

Additionally, the department performs a process called "Splits and Combinations", which results in the creation of documentation called a "Package." A split is a procedure where a single parcel may be split into multiple parcels, whereas a combination is where multiple parcels are combined into a single parcel. This procedure is critical to the office's fundamental business principle of information in the CAMA system being current and correct, especially for valuation purposes. 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 crucial to 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 mailed to parcels that no longer exist. In 2015, 205 packages were completed, culminating in 824 parcels created and 860 parcels deleted.

The QC department is committed to the continuing training of appraisal staff in various areas of business operations and information documentation for improved quality assurance and the reduction in the amount and frequency of documentation errors that require additional review and correction.

Additional Accomplishments:

- Data entry of 7,393 parcel information updates stemming from the residential parcel canvassing revaluation plan.
- Data entry of 18,407 parcel information updates from the residential appraisal process.



The chart above summarizes the operational activities the staff of the Quality Control Department focused on in 2015. Each “Pie Slice” illustrates the activity as well as the percentage of their efforts dedicated to each activity.

2016 Goals

Goal – Re-initiate training for residential appraisers.

Purpose of Goal – The QC Department is committed to the continuing training of appraisal staff in various areas of business operations and information documentation for improved quality assurance and the reduction in the amount and frequency of documentation errors that require additional review and correction.

Goal – Begin monitoring the various business processes of the Commercial Appraisal Department.

Purpose of Goal – The QC Department will ensure the information gathered by appraisers is entered uniformly and consistently into the CAMA system. The information will be entered in a timelier manner and be consistently, completely and accurately amended across the two major appraisal departments.

Residential Appraisal

Responsibilities

Residential Appraisal Department is responsible for discovery, listing, and appraising new construction and additions for residential, multi-family and light commercial properties. Residential appraisers perform 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 in the CAMA system. Valuation is derived by measuring land and buildings, gathering building component and sales data, and applying the standards specified by USPAP (the Uniform Standards of Professional Appraisal Practice). These standards include Standard A which establishes requirements for the development of an appraisal, Standard B which establishes requirements for the development of a review and Standard C which establishes requirements for the reporting of an appraisal or review.¹⁰

Other State Statutes 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.

2015 Accomplishments

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. 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.

During 2015, the department performed sales analysis on 8,424 residential parcels. For 2016, the goal is to perform 9,338 sales analysis on residential parcels. The increase of 914 parcel reviews is a result of more anticipated sales transactions occurring in 2016. The department reviewed 9,110 building permits, and plans on reviewing 10,438 in 2016 (an increase of 14.58%). The 10,438 figure includes new building permits, as well as permits being re-reviewed from the prior year due to the construction not being 100% complete the prior year. During the year, 10,099 residential sales were reviewed and the values were updated to current and correct. This analysis was accomplished by reviewing market values within the respective neighborhoods. The target for re-appraisal of sales on residential parcels in 2016 is 9,338. The sales team ascertained residential parcel market value of \$7,816,900, assessed value of \$2,605,633, resulting in estimated tax in dollars of \$ 91,197. The aforementioned information was a result of an analysis performed by the Residential Appraisal Manager by computing the assessed value by an estimated tax rate of 3.5% to produce the estimated tax dollar value.

¹⁰ http://www.appraisalinstitute.org/assets/1/29/SVP_effective_1-1-20151.pdf

Additional accomplishments:

- Performed 1,964 re-appraisal of building permits
- Conducted 2,910 property valuation protests inquiries

2016 Goals

Goal – Reorganize the sales team to verify all properties that have changed ownership.

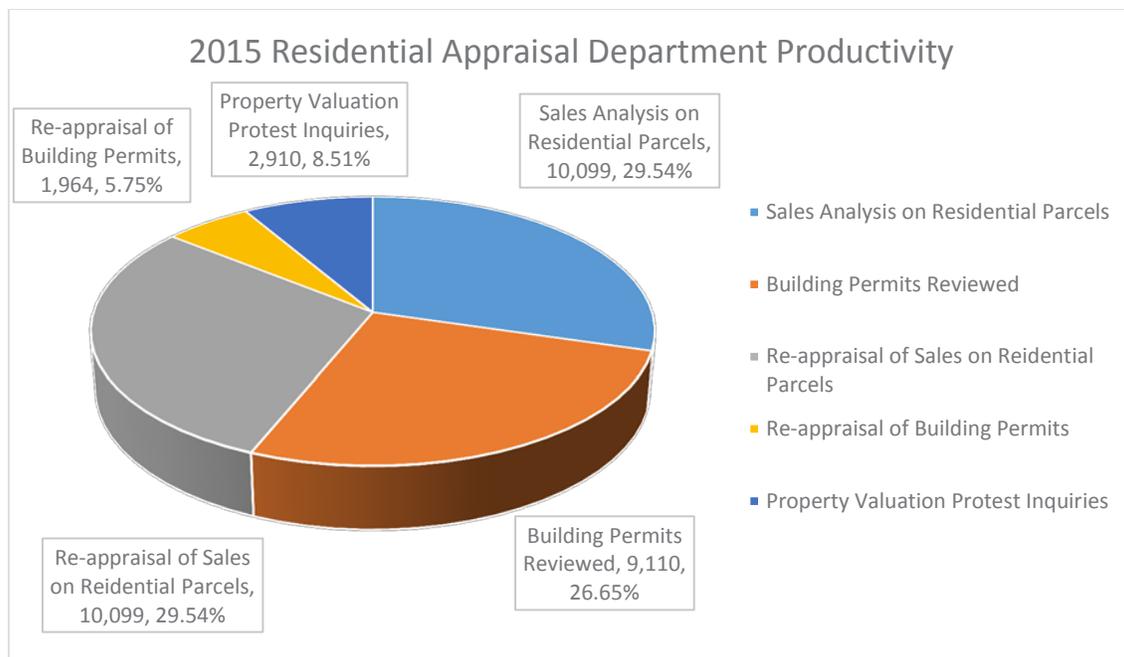
Purpose of Goal – Create new processes to ensure that our data is correct at the time of the sale. This will be done by utilizing aerial photography for each parcel and comparing it to the descriptive data in the CAMA system. If the two information types are incongruent, then additional field inspection is required followed by additional review and analysis. This appraisal methodology will help ensure the price per square foot for a particular parcel at the time of the sale is accurate.

Goal – Develop a new building permit process.

Purpose of Goal – Create a flag that can be entered to identify the parcels that have been field checked that are pending entry. This will help the duplication of field checks and duplicate paperwork.

Goal – Introduce and familiarize property owners with E-NOV (Notice of Value).

Purpose of Goal – Educating the public during the protest process that they can receive their NOV electronically. This is fiscally responsible by reducing printing and mailing costs currently financed by the Assessor's office.



The chart above summarizes the operational activities the staff of the Residential Appraisal Department focused on in 2015. Each "Pie Slice" illustrates the activity as well as the percentage of their efforts dedicated to each activity.

Residential Appraisal/Canvass Initiative

In February, the Canvass Department deployed the use of newly implemented desktop review solution software. With the use of this software, the canvass staff will be able to quickly verify the data on residential parcels more efficiently by using aerial imagery and advanced sketching software. This will allow the staff to review more parcels on a daily basis as opposed to physically visiting them on foot, which will be more cost effective and will also enhance the accomplishment of the office's anticipated canvassing completion date. This method of verification, while assisting with the completion of the canvass project on time, will also ensure that parcel reviews for the canvass project meet the IAAO Standard on Mass Appraisal of Real Property – 2013, Section 3.3.5. The goal is to complete the review of 75,000 parcels within the first year of using the desktop review solution software.

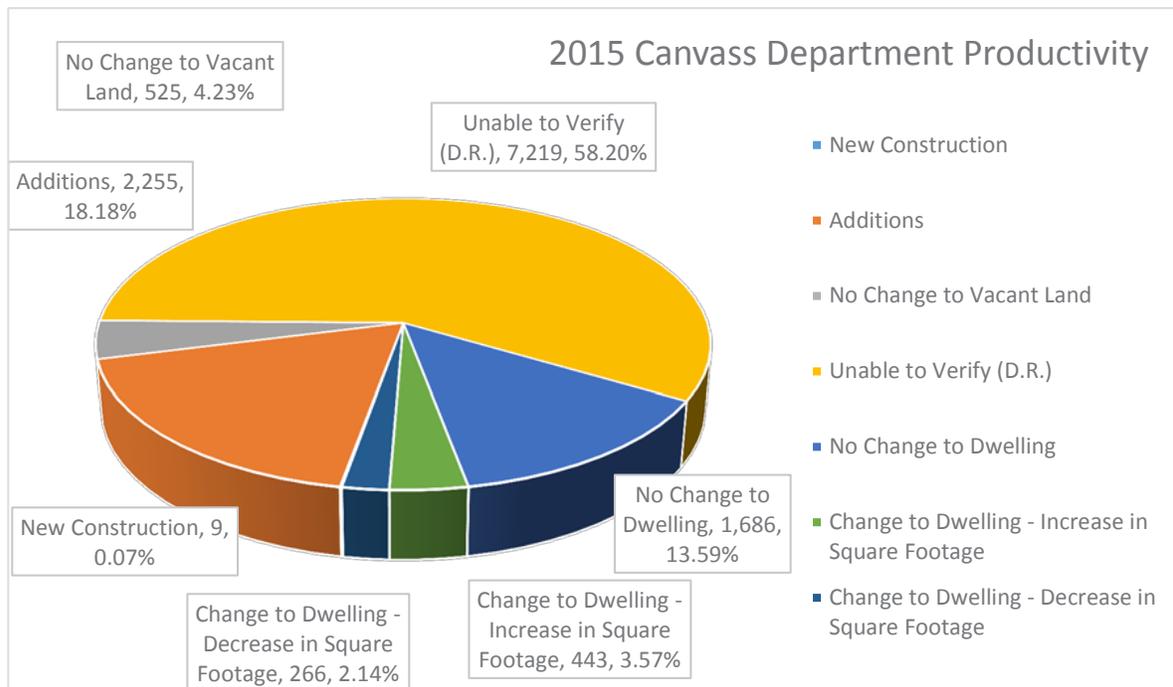
2015 Accomplishments

- In 2015, 12,403 field checks were completed (see chart below).
- As of January 28, 2016, 38,121 properties have been inspected which represents 16.42% of the county.

2016 Goals

Goal – Improve the strategic and tactical canvassing processes currently employed.

Purpose of Goal – Effectively implement and utilize the integration of the CAMA system, the aerial photography software application and the newly procured desk top review and analysis software to more efficiently and effectively perform canvassing procedures.



The chart above summarizes the operational activities the staff of the Canvass Department focused on in 2015. Each "Pie Slice" illustrates the activity as well as the percentage of their efforts dedicated to each activity.

BUDGET AND ORGANIZATIONAL STRUCTURE

Proposed Budget for Fiscal Years 2016 and 2017

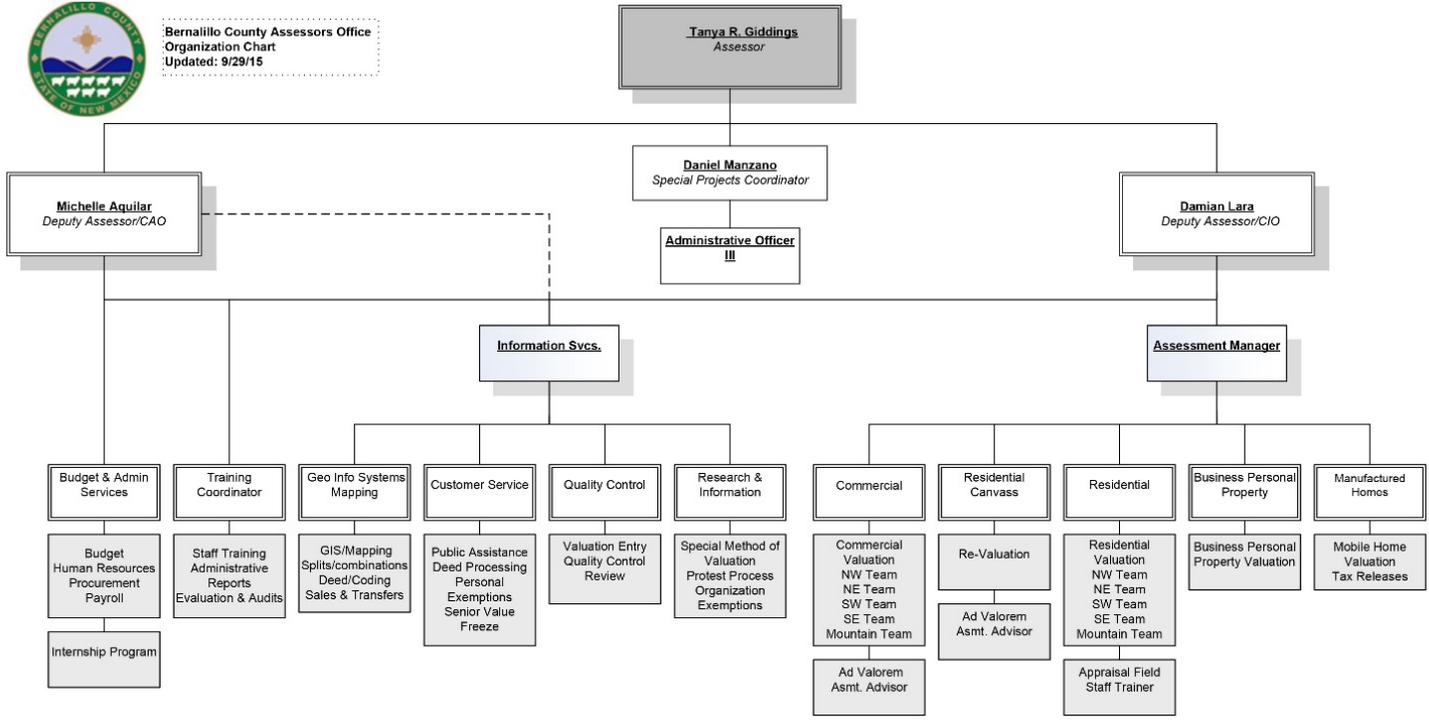
The Bernalillo County Assessor's Office consists of two funding sources; the general fund and the reappraisal fund. The general fund revenue comes from general county contribution and fees the Assessor's Office charges for items such as sale of maps, data CD's and requested parcel data. The general fund appropriations are used to cover all expenditures, except those for which special statutory requirements demand separate accounting. For FY16 the general fund expenditures are a proposed budget of \$3 Million. The revaluation fund revenue comes from the 1% Appraisal Fee from property tax collections as per State Statute section 7-38-38.1 NMSA 1978. The reappraisal fund appropriations are used to cover all items presented in this property valuation plan. As per State Statute section 7-38 NMSA 1978 the expenses must be related to maintaining and re-valuing current property records of all residential and non-residential properties. For FY16 the reappraisal fund expenditures are a proposed budget of \$6.7 Million.

Bernalillo County Assessor's Office			
FY15 Actual, FY16 Approved, and FY17 Proposed Budget			
	FY15 Actuals	FY16 Approved	FY17 Proposed Budget
Revenues			
11001 General Fund			
Assessor Fee	4,001	2,000	3,500
General Fund Contribution	2,540,239	3,012,309	3,021,919
Total General Fund	2,544,240	3,014,309	3,025,419
12004 Reappraisal Fund			
1% Appraisal Fee	5,806,668	5,600,000	5,600,000
Fund Balance Appropriation		1,169,241	811,936
Total Reappraisal Fund	5,806,668	6,769,241	6,411,936
Total Revenues	8,350,908	9,783,550	9,437,355
Expenditures			
11001 General Fund			
Salary and Benefits	2,495,362	2,920,538	2,931,618
Operating	45,739	90,271	90,301
Elected Official Travel	3,139	3,500	3,500
Total General Fund	2,544,240	3,014,309	3,025,419
12004 Reappraisal Fund			
Salary and Benefits	2,064,054	3,315,242	3,800,376
Terms- Field Canvass Project	576,621	1,127,253	1,200,000
Vehicle Fuel	6,665	20,000	20,000
Vehicle Maintenance	1,495	5,000	5,000
Professional Services	101,174	186,958	150,000
Contractual Services	564,312	1,450,218	600,000
Training/Travel	48,423	100,598	100,000
Multi Premium Insurance	26,000	26,000	26,000
Bond Payment	207,876	207,196	298,375
Operating	129,227	330,776	585,286
Total Reappraisal Fund	3,725,846	6,769,241	6,785,037
Total Expenditures	6,270,086	9,783,550	9,810,456

ORGANIZATIONAL CHART



Bernalillo County Assessor's Office
Organization Chart
Updated: 9/29/15



EMPLOYEE COUNT

Bernalillo County Assessor's Office						
Employee Count By Department						
2016						
	Full Time			Term/Temp		
	Positions			Positions		
Department	Filled	Vacant	Total	Filled	Vacant	Total
Administrative	10	0	10	2	4	6
Appraisal: Agricultural Property	4	0	4	0	0	0
Appraisal: Commercial Property	8	2	10	0	0	0
Appraisal: Residential Property	28	6	34	0	9	9
Business Personal Property	5	1	6	0	0	0
Data Entry/Coding/Customer Service	13	0	13	0	0	0
Field Canvass Project	2	0	2	12	13	25
GIS/Mapping	6	1	7	0	0	0
Manufactured Homes	4	1	5	0	0	0
Protest Authorizations/Sales Information	2	1	3	0	0	0
Quality Control	5	1	6	0	0	0
Total Assessor's Office	87	13	100	14	26	40
Total General Fund	45	6	51	0	0	0
Total Valuation Fund	39	10	49	14	26	40

ANNUAL DATA AND STATISTICAL ANALYSIS

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

- 1) the review of property owner'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 property owner 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.

Statistics on Changes of Assessed Valuation

Total Taxable Real Property Parcel Count	275,494
Residential Tax Class Parcels (Less exempt parcels)	230,626

	Count	Percentage
Parcels that decreased in value	15,636	6.78%
Parcels with unchanged value	46,499	20.16%
Parcels that increased in value	168,491	73.06%
Total	230,626	100.00%

Non-Residential Tax Class Parcels (Less exempt parcels)	44,868
---	--------

	Count	Percentage
Parcels that decreased in value	5,792	12.91%
Parcels with unchanged value	33,000	73.55%
Parcels that increased in value	6,076	13.54%
Total	44,868	100.00%

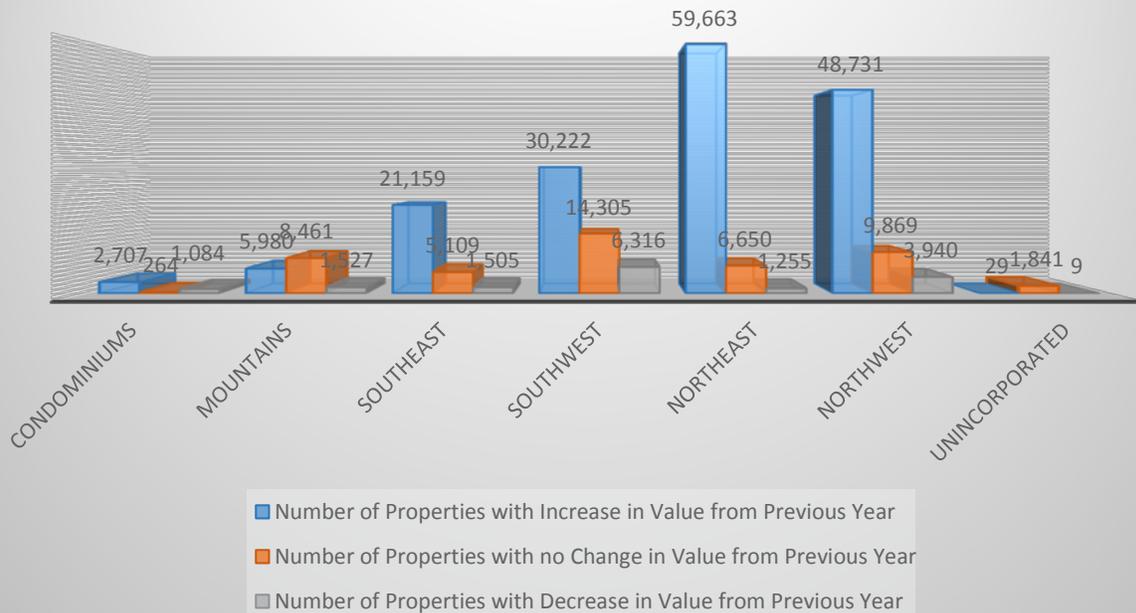
PROPERTY VALUE CHANGES FROM PREVIOUS YEARS:

Residential Properties

Property Value Changes from Previous Years: Residential Properties by Neighborhood

Neighborhood	Total Parcel Count	Increase in Value	% Increase	No Change in Value	% No Change	Decrease in Value	% Decrease
Condominiums	4,055	2,707	66.76%	264	6.51%	1,084	26.73%
Mountains	15,968	5,980	37.45%	8,461	52.99%	1,527	9.56%
Southeast	27,773	21,159	76.19%	5,109	18.40%	1,505	5.42%
Southwest	50,843	30,222	59.44%	14,305	28.14%	6,316	12.42%
Northeast	67,568	59,663	88.30%	6,650	9.84%	1,255	1.86%
Northwest	62,540	48,731	77.92%	9,869	15.78%	3,940	6.30%
Unincorporated	1,879	29	1.54%	1,841	97.98%	9	0.48%
Totals	230,626	168,491	73.06%	46,499	20.16%	15,636	6.78%

**Property Value Changes from Previous Year:
Residential Properties by Neighborhood**

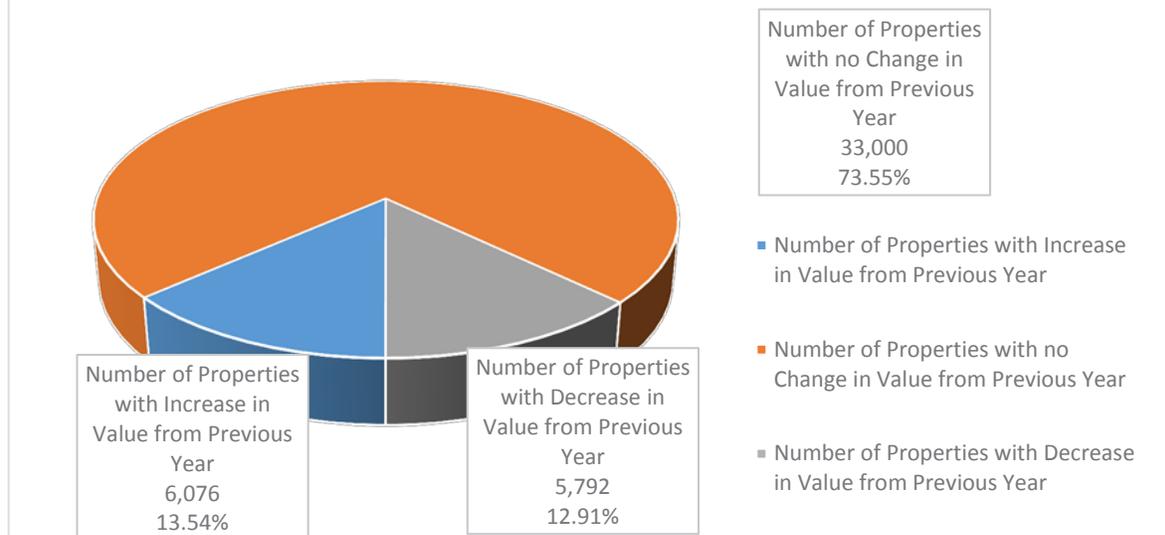


PROPERTY VALUE CHANGE FROM PREVIOUS YEARS:

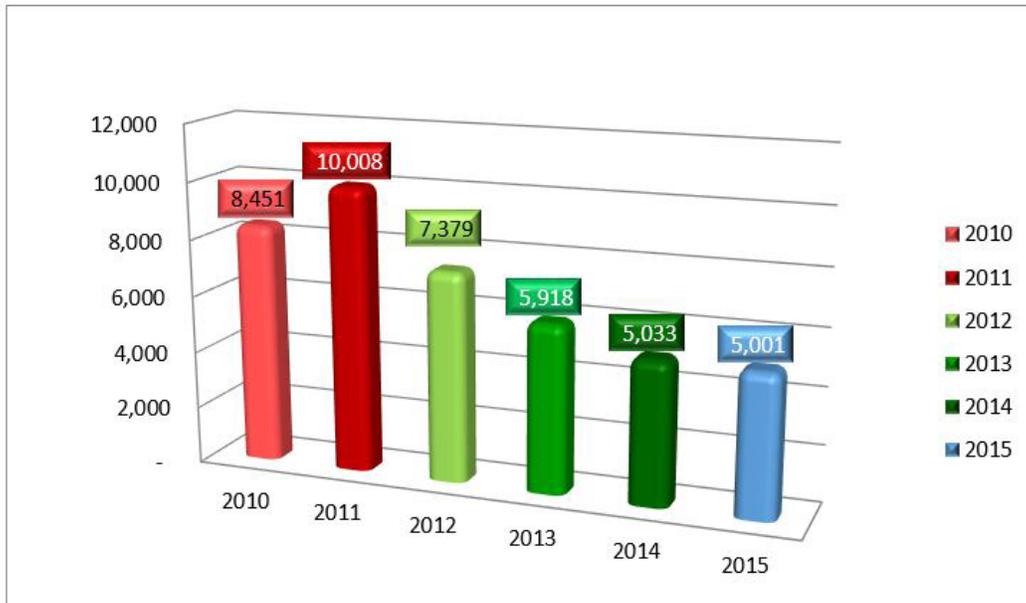
Commercial Properties

<i>Property Value Changes from Previous Year: Commercial Properties</i>							
Commercial Properties	Total Number of Properties	Number of Properties with Increase in Value from Previous Year	% Change	Number of Properties with No Change in Value from Previous Year	% Change	Number of Properties with Decrease in Value from Previous Year	% Change
	44,868	6,076	13.54%	33,000	73.55%	5,792	12.91%

Number of Properties with Changes in Value from Previous Year: Commercial Properties

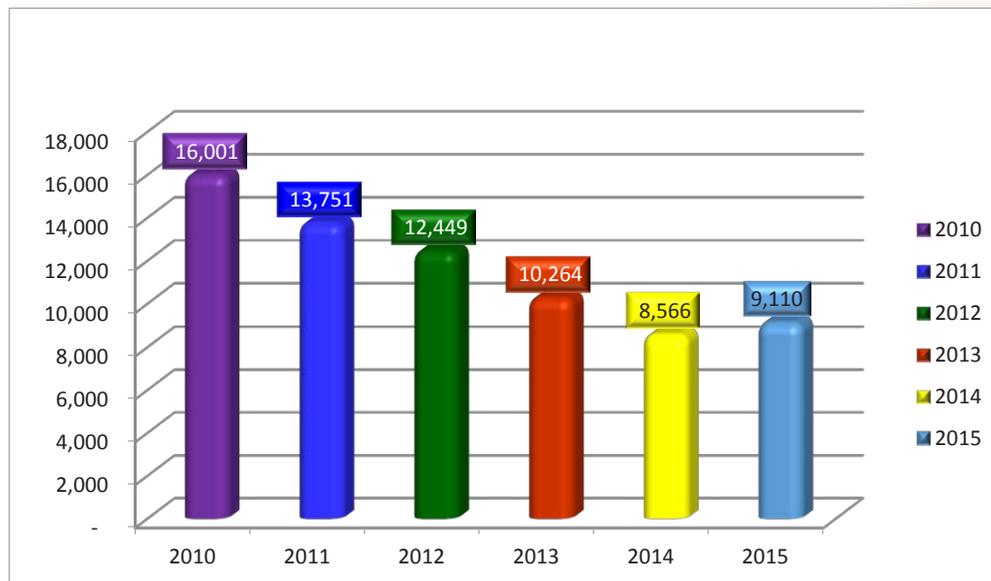


PROTESTS



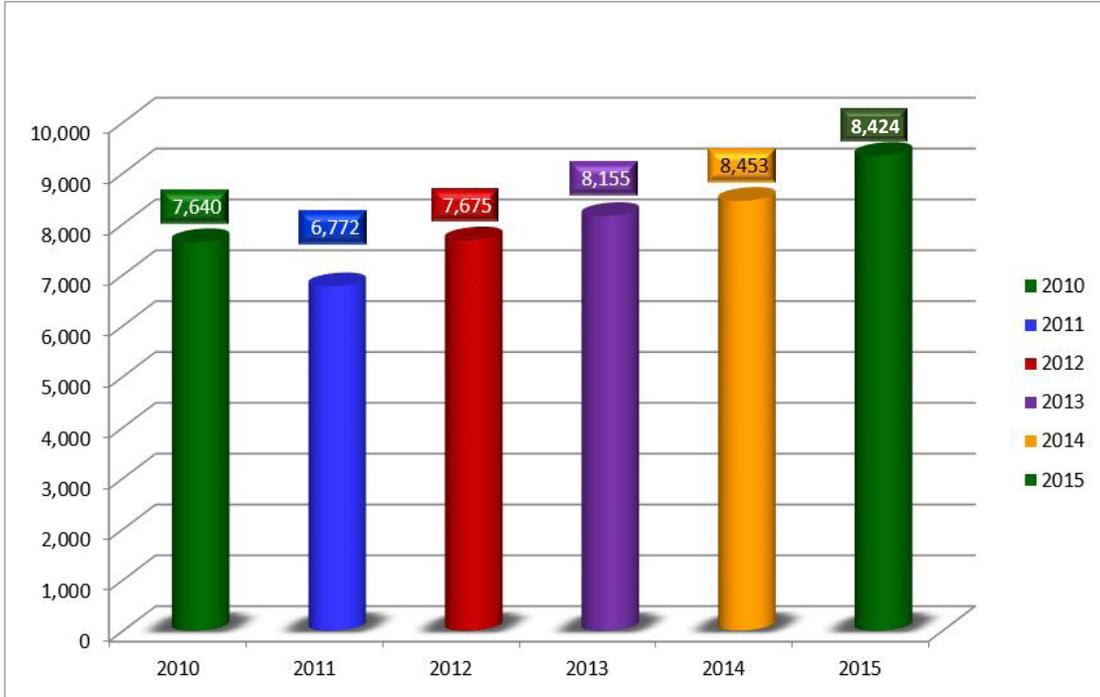
The chart above illustrates the number of protests scheduled over the last six years. The extent of decrease in the number of protest has plateaued, and it is anticipated that the magnitude will begin to increase again as a result of the canvassing initiative identifying improvements to properties, thus adding contributory values to properties. Additionally, as anticipated increases in ownership changes are culminated, the removal of the 3% cap will apply to a greater amount of properties, thus more ownership inquiries will be generated.

NEW BUILDING PERMITS ISSUED



The chart above illustrates the number of building permits issued over the last six years. The extent of decrease in the number of building permits has plateaued, and it is anticipated that the number of permits will begin to increase again as a result of the economy recovery beginning to have an impact on the housing market. Impacts can be seen in the form of new construction of houses as the increase in sales by properties owners becomes more intense. These numbers do not account for reviews of building permits in prior years that required additional or follow-up field visits such as construction at a percent complete or at a no-start for the year of issuance.

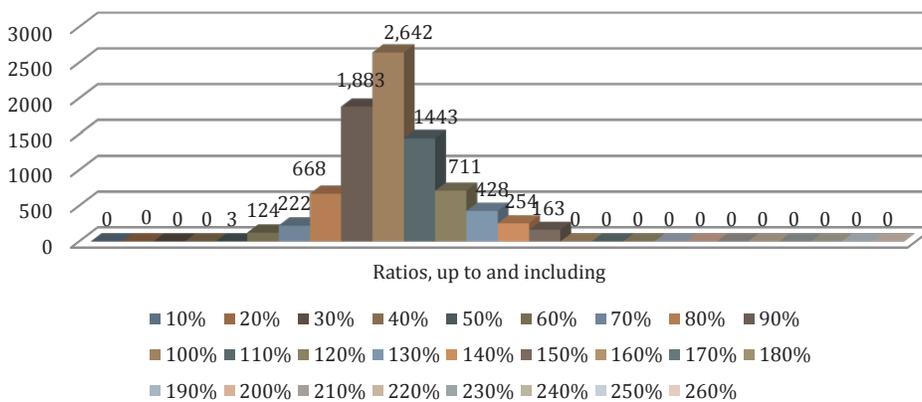
SALES ANALYSIS



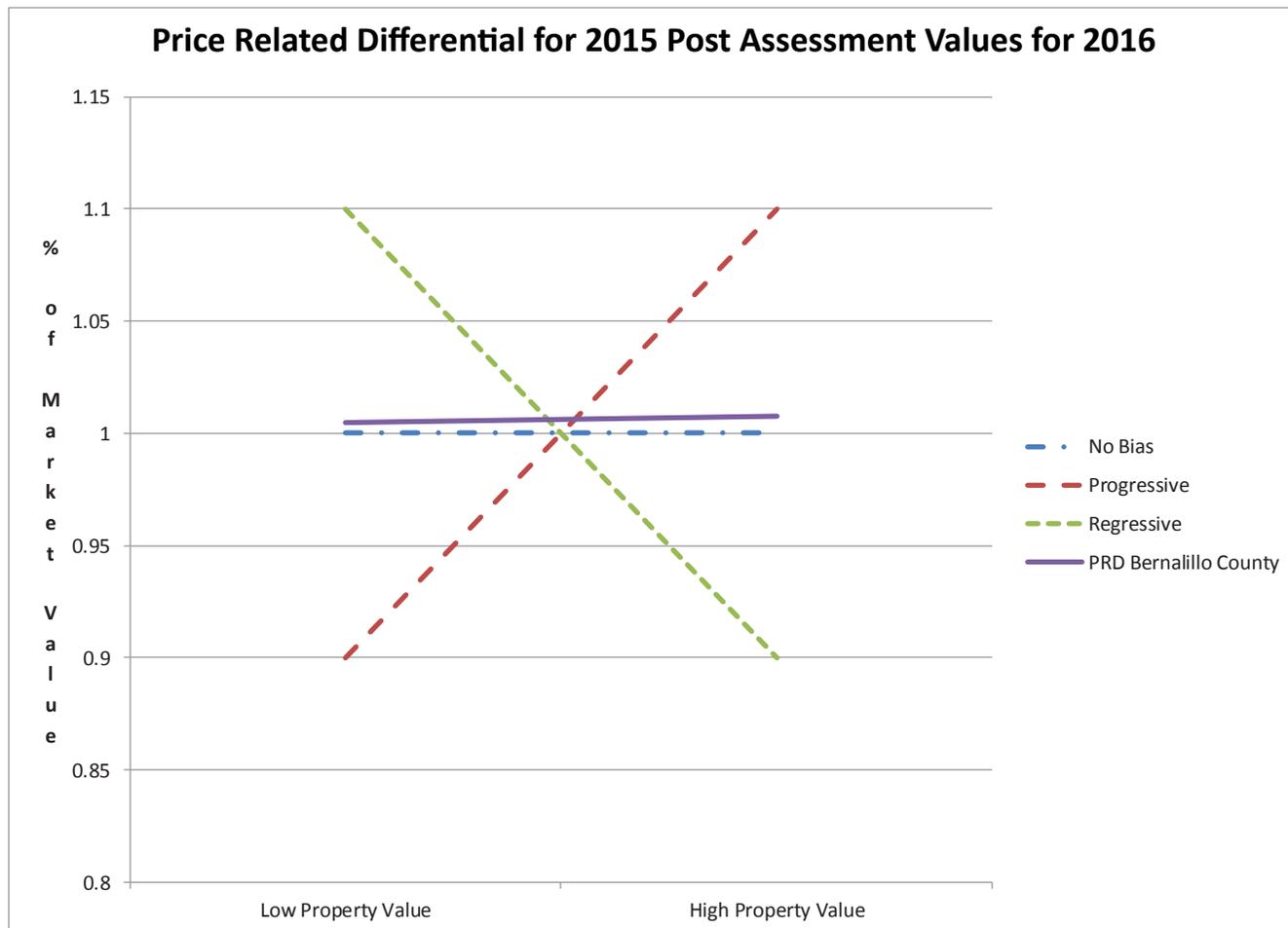
The chart above depicts the number of residential property sales by year. The sales analysis metric applied to these sales is a means of establishing if the estimated market value of a property equals the sale price of a comparable property after adjustments for differences are made (i.e., property type, 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 Values for 2015



SALES RATIO STUDY



In a sales ratio study, appraised values are compared to true market value indicators (sale prices). The Price Related Differential (PRD) is used to measure value related inequities in the appraisal system, referred to as regressivity or progressivity. The PRD is calculated by dividing the mean ratio by the weighted mean ratio. The statistic should be close to 1.00%. Measures considerably above 1.00 tend to indicate appraised values are regressive, which indicate high value properties are under appraised relative to the low value properties. Measures below 1.00 suggest appraised values are progressive, which indicate 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 101.959%, indicating the appraised values for Bernalillo County are unbiased.

Another indicator of fair and equitable assessments in the sales ratio study is the Coefficient of Dispersion (COD). The COD is the most common measure of uniformity in sales ratio studies. The Coefficient of Dispersion (COD) is the most common measure of uniformity in sales ratio studies. The COD measures the dispersion of ratios around the Median Ratio. It indicates how tightly the ratios are clustered around the median ratio. IAAO Standards suggest that this figure be below 15%. Bernalillo County's COD is currently at 13.133% which indicates a relatively high level of equity across taxpayers' assessments.

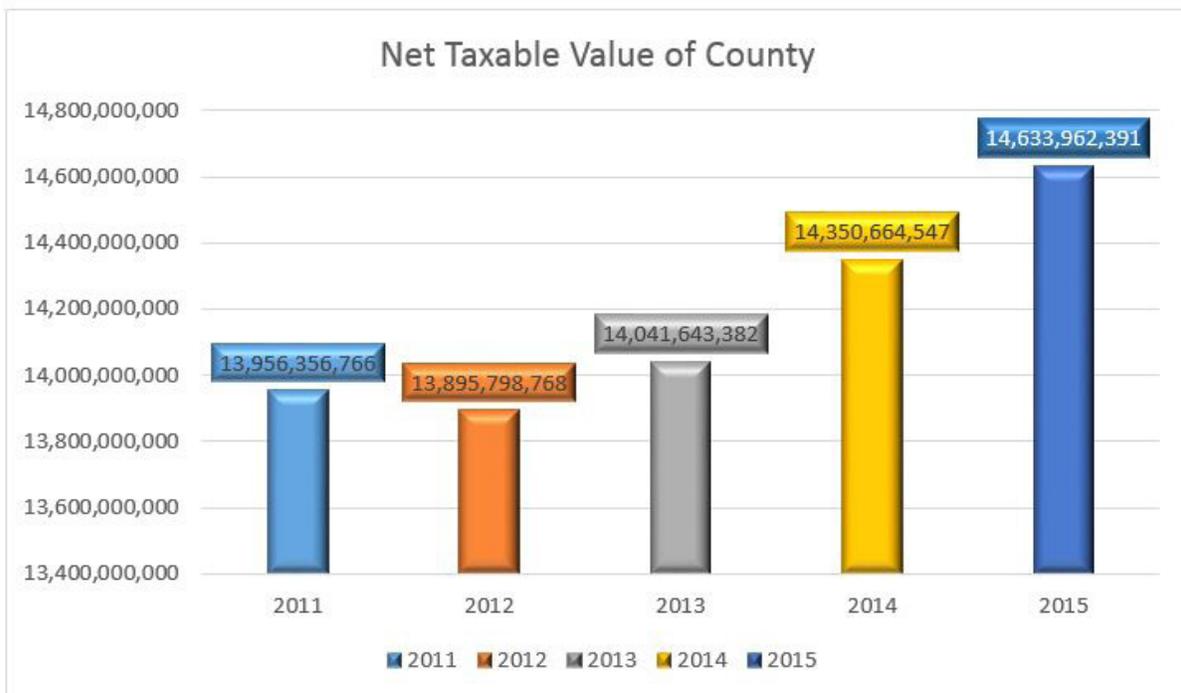
Historical Analysis of Assessed Valuation
Based on Actual Tax Roll Delivered to County Treasurer
(Delivered October Each Year)

Tax Year	2015	2014	% Difference	\$ Amount Difference
Net Taxable Residential	\$11,315,870,482	\$11,021,769,490	2.599%	\$294,100,992
Net Taxable Non-Residential	3,318,091,909	3,328,895,057	-0.326%	(10,803,148)
Net Taxable Value of County	\$14,633,962,391	\$14,350,664,547	1.936%	\$283,297,844

Tax Year	2014	2013	% Difference	\$ Amount Difference
Net Taxable Residential	\$11,021,769,490	\$10,709,157,954	2.836%	\$312,611,536
Net Taxable Non-Residential	3,328,895,057	3,332,485,428	-0.108%	(3,590,371)
Net Taxable Value of County	\$14,350,664,547	\$14,041,643,382	2.153%	\$309,021,165

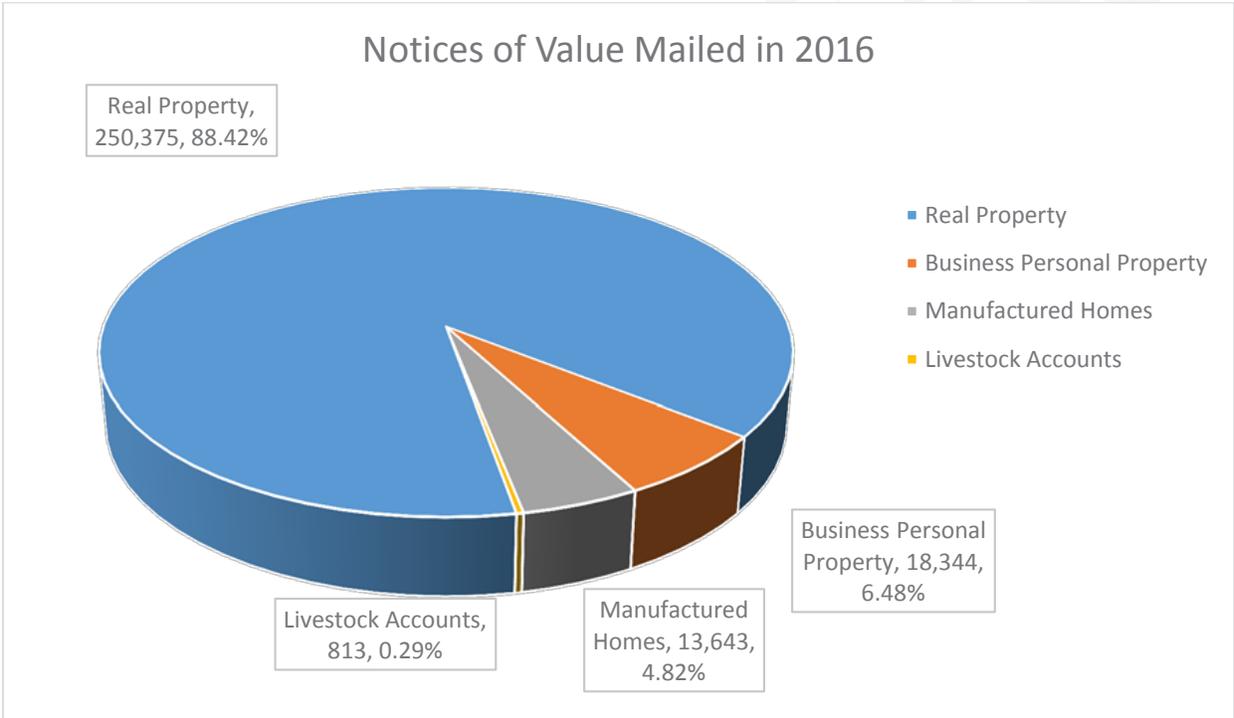
Tax Year	2013	2012	% Difference	\$ Amount Difference
Net Taxable Residential	\$10,709,157,954	\$10,513,182,171	1.830%	\$195,975,783
Net Taxable Non-Residential	3,332,485,428	3,382,616,597	-1.504%	(50,131,169)
Net Taxable Value of County	\$14,041,643,382	\$13,895,798,768	1.039%	\$145,844,614

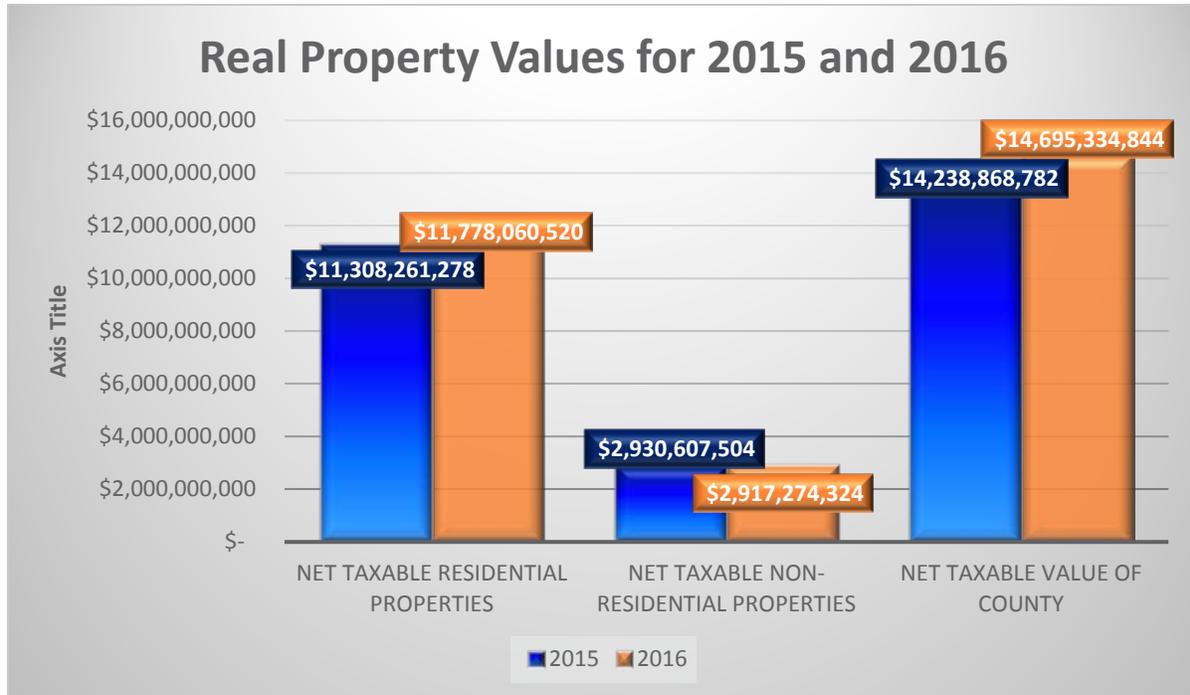
Tax Year	2012	2011	% Difference	\$ Amount Difference
Net Taxable Residential	\$10,513,182,171	\$10,409,867,174	0.983%	\$103,314,997
Net Taxable Non-Residential	3,382,616,597	3,546,489,592	-4.845%	(163,872,995)
Net Taxable Value of County	\$13,895,798,768	\$13,956,356,766	-0.436%	(\$60,557,998)



Notices of Value Mailed in 2016	
Real Property	250,375
Business Personal Property	18,344
Manufactured Homes	13,643
Livestock Accounts	813
Total Notices of Value Mailed	283,175

Based on 2015 and 2016 Notices of Values				
Tax Year	2015	2016	% Difference	\$ Difference
Net Taxable Residential Properties	\$11,308,261,278	\$11,778,060,520	4.1545%	\$469,799,242
Net Taxable Non-Residential Properties	\$3,364,115,280	\$3,376,807,764	0.3773%	\$12,692,484
Net Taxable Value of County	\$14,672,376,558	\$15,154,868,284	3.2884%	\$482,491,726





Estimated Values			
	All Real Property	Residential	Non-Residential
Applied Land	\$ 18,011,210,434	\$ 9,344,761,564	\$ 8,666,448,870
Appraised Improvements	\$ 36,627,342,853	\$ 27,770,648,917	\$ 8,856,693,936
Total Appraised	\$ 54,638,553,287	\$ 37,115,410,481	\$ 17,523,142,806
Assessed Land	\$ 6,003,137,172	\$ 3,114,610,099	\$ 2,888,527,073
Assessed Improvements	\$ 12,197,893,428	\$ 9,255,957,184	\$ 2,941,936,244
Total Assessed	\$ 18,211,030,600	\$ 12,370,567,283	\$ 5,840,463,317
Total Exemptions	\$ 3,515,695,757	\$ 592,506,763	\$ 2,923,188,994
Net Taxable	\$ 14,695,334,844	\$ 11,778,060,520	\$ 2,917,274,324
Net New Value	\$ 187,075,724	\$ 132,878,993	\$ 54,196,731

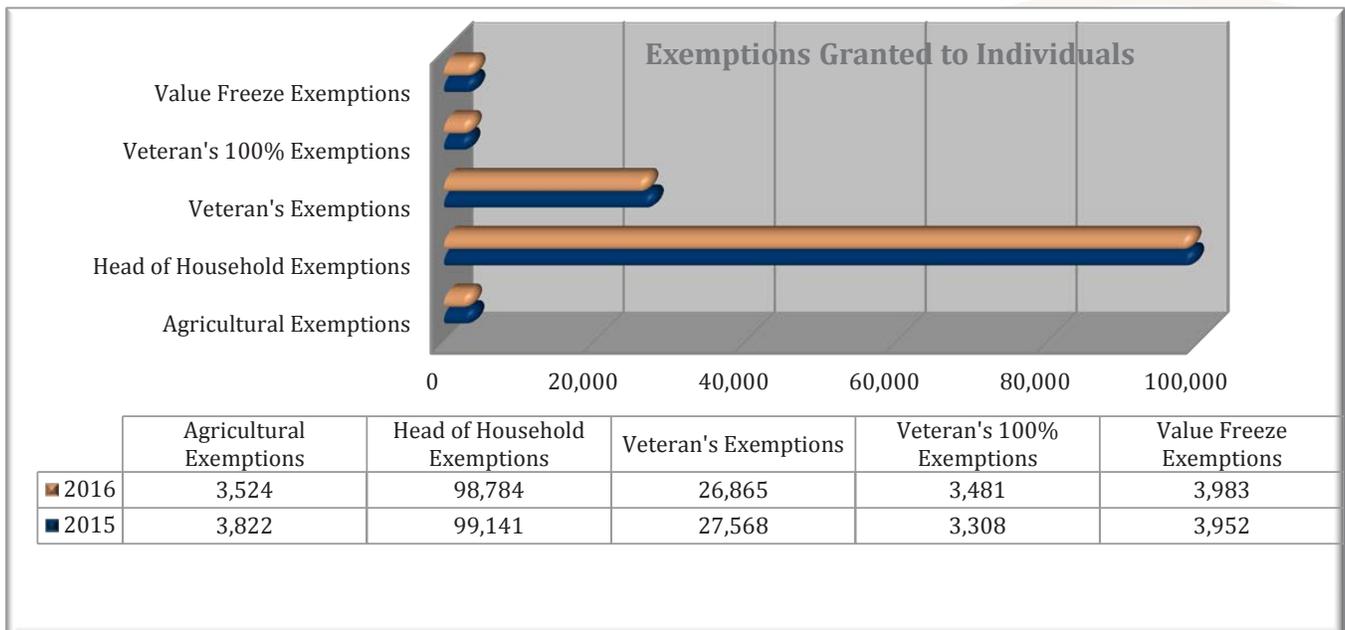
The chart and related table depicted above reflects only “real property” values and does not include Manufactured Homes, Business Personal Property, or Livestock values as the Notices of Value (NOV) data has not been finalized as of the date of this report.

TAX SAVINGS PROGRAMS

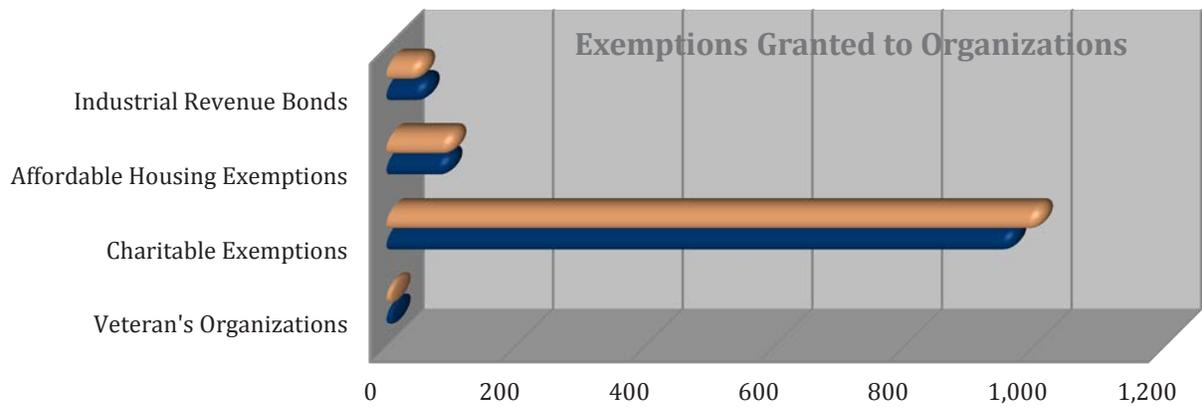
Exemptions Granted in 2015

Under New Mexico property tax law NMSA 1978, Chapter 7, there are two categories of property taxation exemptions; individuals and organizations. The tables and charts depicted on this page and the page that follows reflect the types and amounts of exemptions granted to both individuals and organizations.

<i>Exemptions Granted to Individuals</i>	2015	2016
Agricultural Exemptions	3,822	3,524
Head of Household Exemptions	99,141	98,784
Veteran's Exemptions	27,568	26,865
Veteran's 100% Exemptions	3,308	3,481
Value Freeze Exemptions	3,952	3,983
Total Exemptions Granted	139,806	138,653

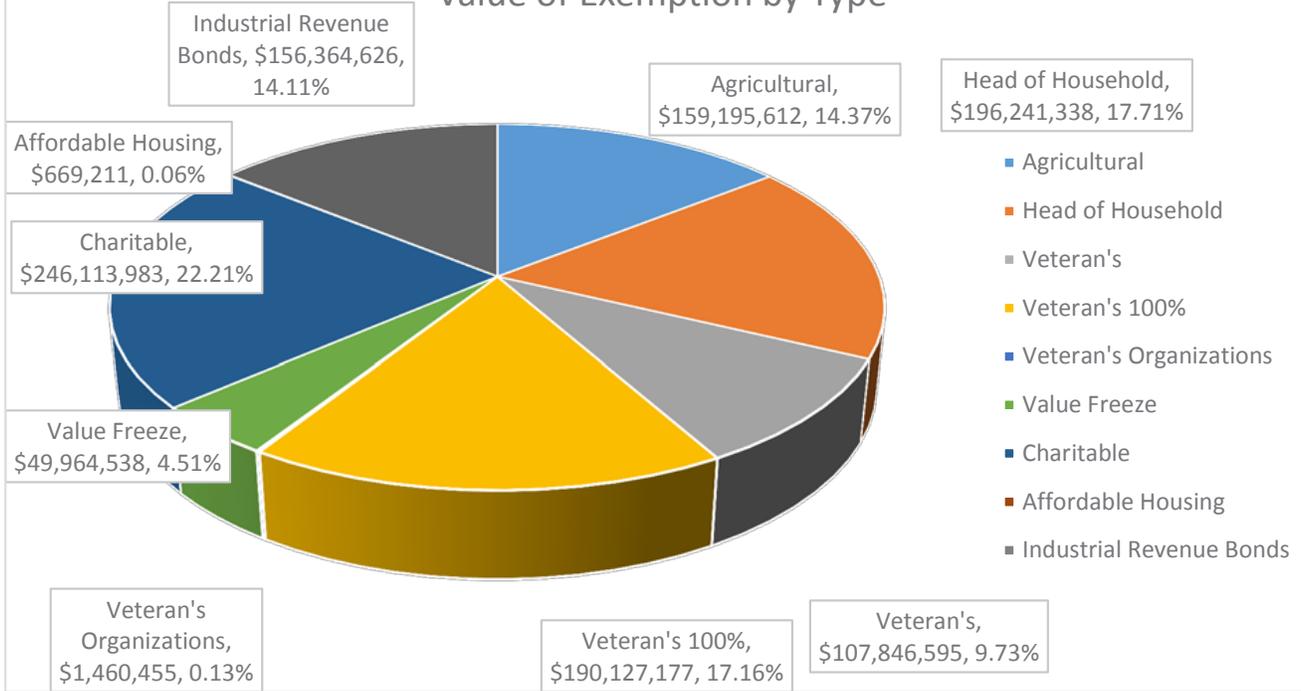


<i>Exemptions Granted to Organizations</i>	<i>2015</i>	<i>2016</i>
Veteran's Organizations	8	8
Charitable Exemptions	964	1,005
Affordable Housing Exemptions	94	100
Industrial Revenue Bonds	59	52
Total Exemptions Granted	3140	3181



	Veteran's Organizations	Charitable Exemptions	Affordable Housing Exemptions	Industrial Revenue Bonds
■ 2016	8	1,005	100	52
■ 2015	8	964	94	59

Value of Exemption by Type



CONCLUSION

The Assessor has instilled and imparted a fundamental and essential core value methodology that steadfastly articulates the Bernalillo County Assessor's Office mission of fair and equitable assessments for all property owners in Bernalillo County. In establishing the requisite principles in the core value philosophy, one of her top priorities has been, and continues to be, establishing property owner's confidence and trust in the Assessor's Office; as well as enhancing public education, communication, and transparency.

Of primary focus and strategy in accomplishing the goals and objectives of the office is the upgrading and enhancement of the technology engaged to perform the essential business operations of the office. The newly implemented desk-top software applications have already produced results that benefit the property owners of the county through amended database information and the identification of contributory value by identifying improvements to properties in the county, creating a positive impact to the tax rolls.

The Assessor continues her concerted effort to instill greater confidence in, create more transparency in and provide better access to the Bernalillo County Assessor's Office. The efforts to communicate with the public through "outreach" activities, continued improvements and enhancements to the Assessor's website, and advances in upgrades to the technologies and business processes in place in the office is of paramount awareness to and a priority of the Assessor.

The Bernalillo County Assessor's Office will continue to ensure compliance with the laws enacted by the New Mexico Legislature in order to accurately and impartially value property in Bernalillo County within the timelines set forth in the New Mexico Property Tax Code, and in accordance with the New Mexico State Constitution.

Contact and Agency Information



BERNALILLO COUNTY ASSESSOR OFFICE
501 Tijeras Avenue, NW
Albuquerque, New Mexico 87102
Tel (505) 222-3700
Fax (505) 222-3771
assessor@bernco.gov