MEMORANDUM # BFB-11-05

TO: New Mexico County Treasurers

FROM: John A. Gallegos, Budget & Finance Bureau Chief
       DFA, Local Government Division

DATE: June 3, 2011

SUBJECT: Review of Delinquent Property Tax Collections and Remittances

During the previous Governor’s administration, a memorandum of understanding (MOU) was established between the Taxation and Revenue Department (TRD) and the Department of Finance and Administration (DFA) that became effective January 7, 2010. The MOU commits TRD resources to review delinquent property tax collection and remittance practices and procedures of all county treasurers. The current TRD and DFA cabinet secretaries recently met with staff and determined that the memorandum of understanding will be executed as previously signed and implemented.

Section 7-38-61 NMSA 1978 requires county treasurers to prepare a property tax delinquency list of all real property that is delinquent for more than two years and to deliver that list to TRD by July 1st of each year. Section 7-38-62 NMSA 1978 gives TRD exclusive authority to collect the delinquent taxes on those lists as well as penalties, interest and costs. However, 3.6.7.71 NMAC authorizes county treasurers to act as agents of TRD in accepting payments of property taxes, penalties, interest and costs of those properties identified on the property tax delinquency list. Also, county treasurers are required by 3.6.50.15(B) and (F) NMAC to remit all penalties, interest and costs collected to TRD. DFA is authorized by Section 7-35-7 NMSA 1978 to require county treasurers to comply with the Property Tax Code and regulations, orders, rulings or instructions of TRD and DFA.

All county treasurers will be advised by letter from DFA prior to review by TRD personnel and will be instructed to fully cooperate during the review. The plan for the review will be applied uniformly for all county treasurers.

Thank you in advance for your consideration and cooperation in this matter.

cc: Richard E. May, DFA Cabinet Secretary
    Demesia Padilla, TRD Cabinet Secretary
    Sam Ojinaga, LGD Acting Director
    Cesario Quintana, PTD Director
    LGD Budget & Finance Analysts