

Opinion No. 20-2648

July 21, 1920

BY: HARRY S. BOWMAN, Assistant Attorney General

TO: State Tax Commission, Santa Fe, New Mexico.

Equalization of Taxes by State Tax Commission.

OPINION

Referring to your oral request for an opinion regarding the authority of the Commission to attempt to equalize the value of certain classes of property in certain cities and towns in this state by raising the valuation of such classes of property for taxation purposes and suggesting as an illustration the power of raising the value of town lots in certain cities or municipalities a given per cent and raising the value of other property of the same class in other localities a different per cent, we beg to advise you as follows:

The questions involving the authority of the State Tax Commission to equalize the valuation of property by raising or lowering the value of different classes of property and what methods should be followed in arriving at such valuations were exhaustively discussed by the State Supreme Court in the case of South Spring Ranch & Cattle Company vs. State Board of Equalization, 18 N.M. 531, 139 Pac. 159.

In the above mentioned case, the Supreme Court, speaking through Mr. Justice Parker, held that the State Board of Equalization has power to equalize the valuations of property for taxation purposes by classes, both as between classes in the same county and as between counties throughout the state.

The court also held that where a statute authorizes the State Board of Equalization to equalize values for taxation but does not point out the method, that any reasonable and efficient method may be adopted to accomplish that purpose.

We believe that this case is authority for the position that the Tax Commission may raise or lower the value of town lots or any other class of property by a blanket raise or reduction, and that the per cent of raise need not be the same upon all town lots in the same county or even in the same locality.

We are also of the opinion that any method adopted by the Commission in determining what is a fair valuation for taxation purposes for the purpose of equalizing such valuations throughout the state is not subject to any valid legal attack.

We are returning to you herewith the pencil memorandum of proposed percentage of increase prepared by Mr. Joerns and the printed tabulation of real estate transfers which were handed to the writer at the time of the making of your inquiry.