

IAAO PRESENTS



PREP&TRIAL

**JULY 10 - 11, 2025
COLUMBUS, OH**



Exemption Litigation – A Different Beast

Presented By: Bernalillo
County Assessor Damian R.
Lara



Most States Exempted



RELIGIOUS



CHARITABLE



EDUCATIONAL USES
FROM PROPERTY TAXES



Exemption Applications



Office of the County Assessor
Damian R. Lara
415 Silver Ave. SW, 3rd Floor
Albuquerque, New Mexico 87102
Office: 505-222-3700
Assessor@bermco.gov
www.bermco.gov/Assessor



Reset Form

CHURCH EXEMPTION TAX YEAR 2025

Application for Exemption of Property Tax for Non-Governmental Entities

Please complete this application in its entirety. If necessary, use additional sheets to support your claim for exemption.

Application Date: / /

(Any award of an exemption will be for the current tax year only and will not relieve the owner from the payment of previous years' taxes, interest and penalties.)

Church property may be exempt from property taxes pursuant to Article VIII, Section 3 of the New Mexico Constitution. The owner must apply for the exemption pursuant to NMSA (1978), § 7-38-17. Once approved, the exemption will remain valid so long as the ownership or the church use of the property does not change.

Filing Period: Notices of Value are mailed by the assessor in the Spring of each year. The deadline for submitting an Application for Exemption is thirty (30) days from the mailing of the Notice of Value. Please check your Notice of Value for the correct date. In the event that all Notices of Value are altered by order of the State of New Mexico, a public notice will be issued. Applications received after the deadline will be returned.

APPLICATION MUST BE SUBMITTED BY OWNER OR BY AN AUTHORIZED AGENT - AGENT MUST SUBMIT AN AUTHORIZATION LETTER
Applications will not be accepted without such proof of authority.

Property Owner Applying for Exemption Status:

OWNER NAME: _____
Owners Mailing Address: _____ Date acquired by current owner: _____
State: _____ Zip: _____
Day Time Phone No. _____ Fax No. _____
Email: _____

Agent Authorization Letter is Required:

Contact Person: _____ Title: _____
Agent Mailing Address: _____ Agents Phone No. _____
State: _____ Zip: _____
Email: _____ Fax: _____

Lessee Name: _____ Lease Start Date: _____
Title (e.g., President, Secretary, Agent)
Address: _____
State: _____ Zip: _____
Day Time Phone No. _____ Fax: _____
Email: _____

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CHARITABLE EXEMPTION TAX YEAR 2025

Application for Exemption of Property Tax for Non-Governmental Entities

Please complete this application in its entirety. If necessary, use additional sheets to support your claim for exemption.

Application Date: / /

(Any award of an exemption will be for the current tax year only and will not relieve the owner from the payment of previous years' taxes, interest and penalties.)

Property used for charitable purposes may be exempt from property taxes pursuant to Article VIII, Section 3 of the New Mexico Constitution. The owner must apply for the exemption pursuant to NMSA (1978), § 7-38-17. Once approved, the exemption will remain valid so long as the ownership or the charitable use of the property does not change.

Filing Period: Notices of Value are mailed by the assessor in the Spring of each year. The deadline for submitting an Application for Exemption is thirty (30) days from the mailing of the Notice of Value. Please check your Notice of Value for the correct date. In the event that all Notices of Value are altered by order of the State of New Mexico, a public notice will be issued. Applications received after the deadline will be returned.

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Applications will not be accepted without such proof of authority.

Property Owner Applying for Exemption Status:

OWNER NAME: _____
Owners Mailing Address: _____ Date acquired by current owner: _____
State: _____ Zip: _____
Day Time Phone No. _____ Fax No. _____
Email: _____

Agent Authorization Letter is Required:

Contact Person: _____ Title: _____
Agent Mailing Address: _____ Agents Phone No. _____
State: _____ Zip: _____
Email: _____ Fax: _____

Lessee Name: _____ Lease Start Date: _____
Title (e.g., President, Secretary, Agent)
Address: _____
State: _____ Zip: _____
Day Time Phone No. _____ Fax: _____
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EDUCATIONAL EXEMPTION TAX YEAR 2025

Application for Exemption of Property Tax for Non-Governmental Entities

Please complete this application in its entirety. If necessary, use additional sheets to support your claim for exemption.

Application Date: / /

(Any award of an exemption will be for the current tax year only and will not relieve the owner from the payment of previous years' taxes, interest and penalties.)

Property used for educational purposes may be exempt from property taxes pursuant to Article VIII, Section 3 of the New Mexico Constitution. The owner of the property must apply for the exemption pursuant to NMSA (1978), § 7-38-17. Once approved, the exemption will remain valid so long as the ownership or the educational use of the property does not change.

Filing Period: Notices of Value are mailed by the assessor in the Spring of each year. The deadline for submitting an Application for Exemption is thirty (30) days from the mailing of the Notice of Value. Please check your Notice of Value for the correct date. In the event that all Notices of Value are altered by order of the State of New Mexico, a public notice will be issued. Applications received after the deadline will be returned.

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Applications will not be accepted without such proof of authority.

Property Owner Applying for Exemption Status:

OWNER NAME: _____
Owners Mailing Address: _____ Date acquired by current owner: _____
State: _____ Zip: _____
Day Time Phone No. _____ Fax No. _____
Email: _____

Agent Authorization Letter is Required:

Contact Person: _____ Title: _____
Agent Mailing Address: _____ Agents Phone No. _____
State: _____ Zip: _____
Email: _____ Fax: _____

Lessee Name: _____ Lease Start Date: _____
Title (e.g., President, Secretary, Agent)
Address: _____
State: _____ Zip: _____
Day Time Phone No. _____ Fax: _____
Email: _____



Explanation of Factors in Determining Charitable Use

Highest and Best Use VS. the Current, Primary and Substantial Use:

The property must be used directly, immediately, and primarily for charitable purposes. This means the use must provide substantial public benefit. (Review of Various Cases throughout the US for similarities)



Explanation of Factors in Determining Charitable Use (Continued...)

Stated Narrative Description **Vs. Verified Activity:**

The property owner must provide a detailed narrative description of the activities carried out on the property, specifically identifying the services performed to benefit the public or community.
(Audits, Articles of Incorporation, and Bylaws)



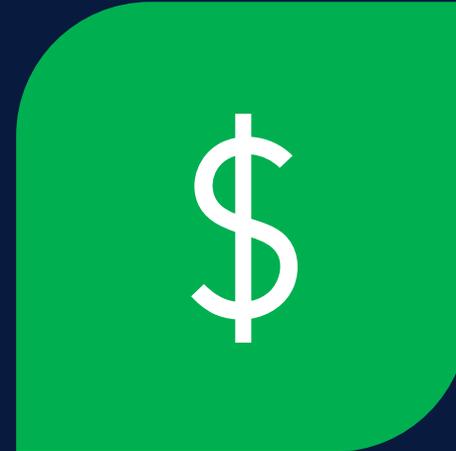
Explanation of Factors in Determining Charitable Use (Continued...)

Who benefits? “Recipient Classes”:

The application should list the classes of recipients benefiting from the charitable services, such as low-income individuals, homeless, indigent, or other charitable organizations. (Review of National Standards)



Explanation of Factors in Determining Charitable Use (Continued...)



FINANCIAL SUPPORT AND INCOME:

THE ORGANIZATION MUST DISCLOSE HOW IT IS SUPPORTED FINANCIALLY AND WHETHER IT GENERATES INCOME FROM RENTING OR LEASING THE PROPERTY. THIS INFORMATION HELPS ASSESS WHETHER THE PROPERTY IS USED FOR CHARITABLE PURPOSES OR FOR GENERATING REVENUE.



Explanation of Factors in Determining Charitable Use (Continued...)



**IRS Reporting: “The Difference Between
Federal Income Tax and State Property
Tax Exemptions:**



The organization must indicate whether it files
IRS Report Form 990 each year or provide an
IRS authorization letter if not required to file



Explanation of Factors in Determining Charitable Use (Continued...)



National Review of Legal Precedents:



The International Association of Assessing Offices has and considers relevant legal precedents, such as the emphasizes that the use of the property, not the declared purposes of the owner, is determinative.



Explanation of Factors in Determining Educational Use:



Property used directly, immediately, and primarily for educational purposes. The property must be actively used as an educational facility on January 1, the valuation date. While the nonprofit status of the owner may support eligibility, it is not the deciding factor.

The property must deliver systematic instruction in one or more fields and provide a substantial public benefit.

Verified Activity: Documented evidence such as educational certification (e.g., a charter, state approval, national accreditation)

Financial Support and Income: The “school” should provide financial reports, and detailed documentation describing all educational activities conducted on the property.

Case Study:

- By evaluating these factors, the Assessor ensures that the property is genuinely used for charitable purposes and qualifies for the tax exemption under New Mexico law.





Outliers:

- Review of States that deviate from the Norm and use different legal criteria for nongovernmental property tax exemptions.
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Thank you!

**Contact Information:
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