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Short Term Rentals

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Jennifer C. Romero

From: Jennifer C. Romero
Sent: Friday, October 20, 2023 8:51 AM
To: Assessor Staff
Subject: SHORT TERM RENTAL STRATEGIC PLAN 102023-final
Attachments: SHORT TERM RENTAL STRATEGIC PLAN 102023-final.docx

Importance: High

Good morning Team,

FYI attached plan as to how are office is going to address Short Term Rentals. For the Customer Service team and for those in the office who assist with phones, chat and front desk customers, please use this as a guide when answering questions. *If you have questions or need clarification or would like to add additional input, please let Isaiah/Ivan or myself know.

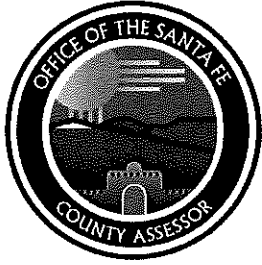
Also below is the link about the story that came out today in the Santa Fe New Mexican and brought up during today's 8:10 update.

https://www.santafenewmexican.com/news/local_news/property-taxes-may-increase-on-short-term-rentals-in-santa-fe-city-and-county/article_2e482322-6a21-11ee-827a-d3614c2a4fe3.html

thank you,
Jen

100 CATRON STREET
SANTA FE, NEW MEXICO 87501
OFFICE: (505) 986-6330
EMAIL: lrbarry@santafecountynm.gov





Isaiah F. Romero,
NMCA Assessor

Ivan Barry,
NMCA Chief Deputy Assessor

SHORT TERM RENTAL STRATEGIC PLAN

WHO:

The Office of the Santa Fe County Assessor (OSFCA) has been tasked with reviewing Short Term Rental (STR) properties within Santa Fe County. The STR properties have been issued a permit through the City or County Land Departments. As a result, we now implement a policy and procedure to conduct annual reviews of STR's and assess them accordingly.

WHAT:

As per statute it is the OSFCA's responsibility to ensure properties are reviewed and determine if based on their individual use, as "residential or "non-residential".

Based on the definition of "residential", as used in the Property Tax Code and as per New Mexico (NMAC) state statute: 7-35-2 (K), "residential property" is defined as follows:

K. "residential property" means property consisting of one or more dwellings together with appurtenant structures, the land underlying both the dwellings and the appurtenant structures and a quantity of land reasonably necessary for parking and other uses that facilitate the use of the dwellings and appurtenant structures. As used in this subsection, "dwellings" includes both manufactured homes and other structures when used primarily for permanent human habitation, but the term does not include structures when used primarily for temporary or transient human habitation such as hotels, motels and similar structures;

N.M. Code R. § 3.6.5.8

In addition, Section 3.6.5.8 - CLASSIFICATION OF PROPERTY - MULTIPLE USE PROPERTIES is outlined as follows:

A. Property shall be classified as residential or nonresidential in accordance with the definitions found in Section 7-35-2 NMSA 1978.

B. Multiple use properties are properties which contain both residential and non-residential components. Multiple use properties shall be classified according to their individual components if it is possible to separate the property into discrete entities. If it is not feasible to separate a multiple-use property into discrete entities, then that property shall be classified according to the predominant use of the property. Examples: a ranch which can be separated into residential and non-residential components exemplifies a multiple use property divisible into discrete parts. A single building with an apartment and a store, however, generally cannot be separated into its discrete components.

C. Predominant usage of a property may be arrived at by calculating the value of each component through the generally accepted methods of valuation-comparable sales, income or cost-as applicable.

N.M. Code R. § 3.6.5.8

WHEN:

On November 1st, the OSFCA will prepare to mail-out a letter that will outline our process for reviewing STR properties. The letter will include a questionnaire that will enable STR property owners to help us understand how they are using their property. A deadline to receive information back has been set as on or before February 20th, with any additional changes, received no later than February 29, 2024. Once our office receives this information, our Appraisal staff will review STR properties to determine if a status change is needed. If so, a change will be made from “residential” to “non-residential” and it will be illustrated on the 2024 Tax Bill provided by the Treasurer’s Office. If information is not received by the state deadline, the OSFCA will presume that the individual property is being operated as a STR.

WHERE:

Santa Fe County

WHY:

As per New Mexico state statute, the OSFCA is obligated to fulfill this statutory obligation and assess properties fairly and equitably.

HOW:

Based on the information that is requested from the OSFCA and received from each, individual, STR property owner, the OSFCA will make changes within our assessment system to leave the use type as “residential” or change the use type to “non-residential”.

*For example and subject to change: if your property has a 2,200 sq. foot home and a 500 sq. foot casita, and you live in the home and rent out the casita, then your usage type remains as “residential”. If you reverse this example and rent out the 2,200 sq. foot home and live in the casita, then your usage type will change from “residential” to non-residential.

EDUCATIONAL ASSISTANCE OUTREACHES:

The OSFCA will offer educational assistance and outreach as follows:

Educational Assistance Outreach: 5:30pm-6:30pm on the following dates/locations with the exception of Eldorado:

- Monday, November 20, 2023/Santa Fe County Fairgrounds Building, 3229 Rodeo Road, SFNM 87507
- Monday, January 8, 2024/Pojoaque Satellite Office, 17839 US-84, SFNM 87506
- Saturday, February 3, 2024/Eldorado Max Coll Corridor Community Center, 16 Avenida Torreon, SFNM 87508; Time: 10:30am-11:30am
- Monday, February 12, 2024/Santa Fe County Chambers, 102 Grant Avenue, SFNM 87501

OTHER ITEMS:

Internal Process – draft workflow set up-additional content to be added at a later date:

- Receive questionnaire submittals to our office, scanned in by Customer Service team
- Residential Chief receives scans, assigns to Appraisal staff for review
- Once reviewed, Data Entry Team reviews and makes data entry changes
- Supervisory review
- QC review



**OFFICE OF THE SANTA FE
COUNTY ASSESSOR**

100 CATRON ST.
PO BOX 126
SANTA FE, NM 87504-0126
www.santafecountynm.gov/assessor

ISAIAH F. ROMERO
NMCA ASSESSOR

IVAN BARRY
NMCA DEPUTY ASSESSOR

OWNER NAME
MAILING ADDRESS
CITY, STATE ZIP

ACCOUNT NUMBER: XXXXXXXXXX

Dear Property Owner,

Based on information received from the City and County Land Use Departments, or a third party vendor, your property has been identified as being used as a "short-term rental". Based on the definition of "residential", as used in the Property Tax Code and as per New Mexico (NMAC) state statute: 7-35-2 (K), "residential property" is defined as follows:

K. "residential property" means property consisting of one or more dwellings together with appurtenant structures, the land underlying both the dwellings and the appurtenant structures and a quantity of land reasonably necessary for parking and other uses that facilitate the use of the dwellings and appurtenant structures. As used in this subsection, "dwellings" includes both manufactured homes and other structures when used primarily for permanent human habitation, but the term does not include structures when used primarily for temporary or transient human habitation such as hotels, motels and similar structures;

As a result, our Office is requesting that you provide additional information as to how your property is currently being used in order to determine the predominant use of your property, being either "residential" or "non-residential".

Attached is a Short-term Rental Questionnaire that we are requesting that you complete and return back to our Office no later than **Tuesday, February 20, 2024** and report any changes, no later than **Thursday, February 29, 2024**. A return envelope is enclosed. If it is not received by the deadline, our Office will presume that you are operating as a "short-term rental" and your account will be changed from a "residential" to a "non-residential" status. (Your Notice of Value (NOV) will be mailed to you on or before April 1st). If you disagree with the determination made on your NOV, you may file an appeal 30 days upon receiving it.

If you have questions, or need help filling out the attached application, please contact our Office. We will host a series of educational and informative outreach meetings that you are welcome to attend. Thank you for your cooperation.

What qualifies as a "short-term" rental?

Short-term rentals are a type of lodging, sometimes called vacation rentals. A house, condo, or apartment (or a part of one) that is rented for a fee for fewer than 30 consecutive nights is a short-term rental. Examples of short-term rentals are those rented through platforms such as Airbnb, VRBO, and similar types of rentals. All City of Santa Fe and Santa Fe County short-term rentals are required to obtain a CRS Business Registration Number (by visiting the [NM Taxation and Revenue Department website](#) or call 505-827-0700), a Short-Term Rental Permit and comply with all the provisions, as adopted by Santa Fe County in Ordinance 2022-07.

Sincerely,

Isaiah F. Romero
Santa Fe County Assessor

Educational Assistance Outreaches	
•	Monday, November 20, 2023 from 5:30pm – 6:30pm at the Santa Fe County Fairgrounds Building, 3229 Rodeo Road, Santa Fe, NM
•	Monday, January 8, 2024 from 5:30pm – 6:30pm at the Pojoaque Satellite Office, 17839 US-84, Pojoaque, NM
•	Saturday, February 3, 2024 from 10:30 am – 11:30am at the Eldorado Max Coll Corridor Center, 16 Avenida Torreon, Eldorado, NM
•	Monday, February 12, 2024 from 5:30pm – 6:30pm at the Santa Fe County Chambers, 102 Grant Avenue, Santa Fe, NM



ISAJAH F. ROMERO
NMCA ASSESSOR

IVAN BARRY
NMCA DEPUTY ASSESSOR

**OFFICE OF THE SANTA FE COUNTY ASSESSOR
SHORT-TERM RENTAL QUESTIONNAIRE**

Owner Name: _____ **Phone #:** _____
Property Address: _____ **Email:** _____
Mailing Address: _____
Account Number: _____

A "short-term rental" is a dwelling or portion of a dwelling that is rented to persons for occupancy for less than thirty (30) consecutive days. Examples include Airbnb, VRBO, and similar types of rentals.

1. Does the property have a business license/registration issued by either the city or the county?
___ Yes ___ No (Please provide a copy along with this form.)
2. Does the property have a short-term rental license/registration issued by either the city or the county?
___ Yes ___ No (Please provide a copy along with this form.)
3. Do the separate dwelling units (main house and guest house(s)) contain bedrooms, baths and kitchens?
(Specify for each guest house if more than one).

Main House: ___ Yes ___ No Guest House(s): ___ Yes ___ No

If no, please explain: _____

4. Are the dwelling units occupied full-time by either the owner, the owner's family, or a tenant with a minimum lease of thirty (30) consecutive days?

Main House: ___ Yes ___ No Guest House(s): ___ Yes ___ No

5. Is the main house listed as a short-term rental in whole or in part? ___ Yes ___ No
If yes, please specify the number of days per year as reported on the owner's Lodger's Tax form: _____.
If only a part of the main house is listed as a short-term rental, please specify the square footage of the areas available for rent and of the areas not available for rent?

_____ sq. ft. (available for rent); _____ sq. ft. (not available for rent)

6. Is the guest house(s) listed as a short-term rental in whole or in part? ___ Yes ___ No
If yes, please specify the number of days per year as reported on the owner's Lodger's Tax form:
of days per year: _____

Additional Comments (if needed, please attach additional documentation):

A property owner dissatisfied with the Assessor's valuation may challenge the valuation by filing either a protest or a complaint for refund pursuant to the provisions of NMSA (1978), § 7-38-21, § 7-38-24 (protest), and § 7-38-39 (complaint for refund).

Owner Signature: _____ **Date:** _____

NOTE: THIS FORM IS VALID SO LONG AS THE INFORMATION SUBMITTED HEREIN HAS NOT CHANGED. THE PROPERTY OWNER IS RESPONSIBLE FOR REPORTING ANY CHANGES TO THE ASSESSOR. IN ORDER TO BE EFFECTIVE FOR THE CURRENT TAX YEAR, ANY CHANGES MUST BE RECEIVED BY THE ASSESSOR ON OR BEFORE THE LAST DAY OF FEBRUARY OF THAT YEAR.



(To ensure the return address will fully appear in the envelope window, please fold along dotted line)

**OFFICE OF THE SANTA FE
COUNTY ASSESSOR**
PO BOX 126
SANTA FE, NM 87504-0126

From: [Comm100 Live Chat](#)
To: [Julia J. Martinez](#)
Subject: Chat transcript with 73.127.155.75
Date: Wednesday, November 1, 2023 1:24:38 PM

Warning:

EXTERNAL EMAIL: Do not click any links or open any attachments unless you trust the sender and know the content is safe.

[Chat Info]

[2023/11/01 11:51:38] **Nicolette** : Questions about your property value?

[2023/11/01 11:51:38] Visitor : Do you have any information on the tax reclassification for short term rentals?

Agent Nicolette has joined the chat.

[2023/11/01 11:52:30] **Nicolette** : Hello, yes! Do you have any specific questions regarding the short term rentals?

[2023/11/01 11:53:14] Visitor : Do you have a list of the criteria that you will be using to determine if a property will be classified as commercial vs residential?

[2023/11/01 11:56:44] **Nicolette** : I don't have a specific list at the moment. However, we are sending out a letter and questionnaire to constituents who have short-term rental licenses to return back to us to determine if we will now classify their property as non-residential. We are going off of based on the primary use of the propeerty

[2023/11/01 11:57:14] Visitor : Are they required to complete the questionnaire?

[2023/11/01 11:58:11] **Nicolette** : That's a great question! Let me ask real quick!

[2023/11/01 11:58:45] Visitor : Is the reclassification still under consideration or is it definitely happening?

[2023/11/01 11:59:02] Visitor : thank you for checking!

[2023/11/01 12:00:00] **Nicolette** : We are requesting the questionnaires be returned to us by February 20, 2024. If we do not receive the questionnaire back by February 20th our Office will presume that they are operating as a "short-term rental" and their account will be changed from a "residential" to a "non-residential" status

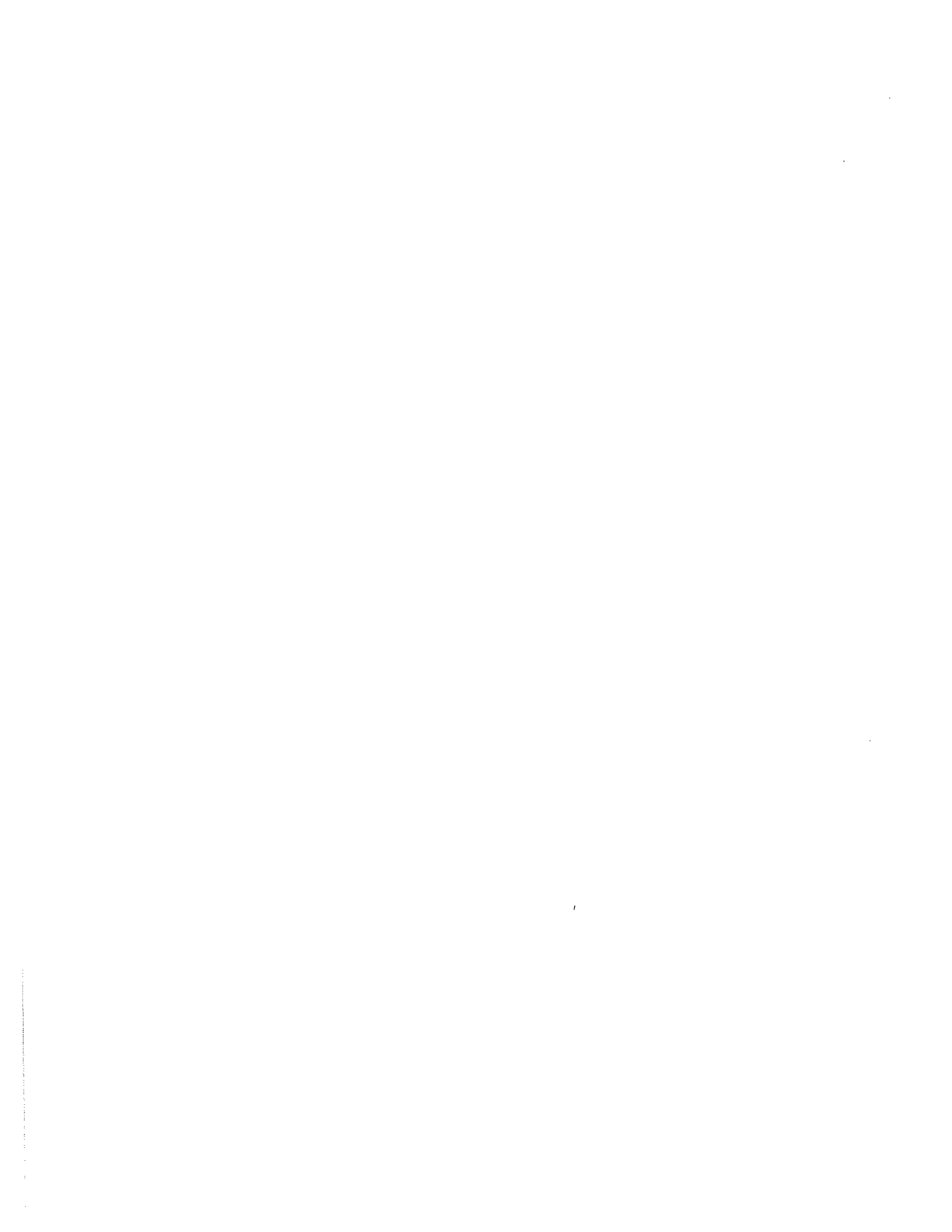
[2023/11/01 12:00:44] **Nicolette** : From their if the owner would like to protest the classification they can do so in April when the Notice of Values are mailed out

[2023/11/01 12:03:00] Visitor : Ok, thank you. I think it is important to clearly define the criteria that will be used to determine if it is residential or non-residential in order to be consistent and fair to property owners. Could you please relay that or tell me who I should reach out to?

[2023/11/01 12:05:52] **Nicolette** : We are going based on primary use of the property to determine if a property is residential or non-residential. An example may be: If a property owner is using their property 9 months out of the year as a rental and the remaining months are used as their place of residence they change the classification to non-residential since the property is mainly being used as a rental.

[2023/11/01 12:07:11] **Nicolette** : Some owners may have their main house and a guest house as a rental. If the main house is their primary house and the guest house is used as a rental they will keep the classification as residential. It is all determined based on how the property is primarily being used.

[2023/11/01 12:08:11] Visitor : So does this apply to long term rentals also or just under 30 days?



[2023/11/01 12:08:35] **Nicolette** : We are only applying these to short term rentals so anything under 30 days.

[2023/11/01 12:11:54] Visitor : OK thank you so much for your responses. If I don't agree with this, where would the best place be to voice my opinion before waiting to protest my notice of valuation in Apr? Should I email the County Assessor?

[2023/11/01 12:13:28] **Nicolette** : Yes, you can! His email is romero@santafecountynm.gov We are going based off state statute, if you ware wanting to voice your opinion to change the statute you can also reach out your Legislator.

[2023/11/01 12:14:17] Visitor : Great thank you so much. Do you know if there are any public meetings about this?

[2023/11/01 12:16:06] **Nicolette** : Not as this moment. We will be holding 4 different educational outreaches between November 20, 2023 and February 12, 2024. Our assessor and deputy Assessor will be at the outreaches to answer any questions. Educational Assistance Outreaches • Monday, November 20, 2023 from 5:30pm – 6:30pm at the Santa Fe County Fairgrounds Building, 3229 Rodeo Road, Santa Fe, NM • Monday, January 8, 2024 from 5:30pm – 6:30pm at the Pojoaque Satellite Office, 17839 US-84, Pojoaque, NM • Saturday, February 3, 2024 from 10:30 am – 11:30am at the Eldorado Max Coll Corridor Center, 16 Avenida Torreon, Eldorado, NM • Monday, February 12, 2024 from 5:30pm – 6:30pm at the Santa Fe County Chambers, 102 Grant Avenue, Santa Fe, NM

[2023/11/01 12:16:44] Visitor : You have been super helpful, I really appreciate your responses!

[2023/11/01 12:17:01] **Nicolette** : You're very welcome! Is there anything else I can assist you with?

[2023/11/01 12:17:19] Visitor : No I think that's it. Thank you again!

[2023/11/01 12:17:27] **Nicolette** : Please feel free to contact us with any further questions. Stay safe and have a great day!

: The transcript will be sent to "info@avacationdifferent.com" after the chat ends.

The visitor has left the chat.

The chat is ended.

ID: d54c5f62-15f4-4ff5-92a3-b750400b00c2

Name: 73.127.155.75

Company:

Phone:

Email: info@avacationdifferent.com

Product/Service:

Agent: Nicolette

Department:

Skill:

Source: AutoInvitation

Start Time: 2023/11/01 11:51:46

End Time: 2023/11/01 12:18:36

Waiting Time: 00:00:07

Auto Invitation: Has spent over 30 seconds on the website

Request Page: [News & Events | Santa Fe County](#)



Santa Fe County Short Term Rental Assessment Information

Every property initially identified as a Short Term Rental (STR) is reviewed by a New Mexico Certified Appraiser to verify property characteristics and the primary use. Appraisers will review returned questionnaires and verify with listing data.

Standard Reassessment:

Verify sketch, Quality and Condition, Effective age and Amenities (heating/cooling, roofing, flooring, bathroom & bedroom count)

STR Determination:

Primary use is determined by the duration the property was available for STR and the percent of living space being used for STR.

Qualifies as STR:

- Listed as available for 183+ days
- Available to rent for less than 30 days
 - Multiple stays within 30 days
- More than 50% of heated living space used as STR

Qualifies as Residential:

- Listed for less than 183 days
- Only available for long term rental (30-day minimum)
- Less than 50% of heated living space used as STR

Questionable:

- Listed for 183+ days, no documented stays
- Questionnaire disagrees with listing data
- Listed and rented 183+ days, then stopped operations

If a property is determined to be a STR, the property class will be changed. The limitation on increases in valuation of residential property will no longer apply and the property will be assessed at market value.

The market value is determined by sales data in the market area of the property. Property owners will have an opportunity to protest the classification and valuation.

Valuation protests can be filed for 30 days after the Notice of Value is sent.

ProVal notes:

(Date) STR Reassessment:

- Confirmed or corrected sketch
- Confirmed or updated amenities
- Added photos to support change in quality/condition (renovation)

Listing indicates primary use is residential.

- Questionnaire supports residential use.
- Available for less than 183 days.
- Available for rent 30+ days only.

Listing indicates primary use is STR.

- No questionnaire received.
- Questionnaire answers do not agree with listing data.
- More than 50% of sqft used for STR.

Questionable.

- Questionnaire and listing data disagree
- Used for both short and long term rental
- Listings removed but was used 183+ days prior

Examples:

2023 1/20 STR Reassessment: Confirmed sketch with Pictometry. Added interior photos, updated amenities and effective age. Listing indicates primary use is STR. Listed for 183+ days with majority sqft used for STR. Class changed to non-res. (Initials)

2023 1/20 STR Reassessment: Corrected sketch per Pictometry. Added interior photos, updated amenities. Listing indicates primary use is residential. Questionnaire supports residential use. No change in class. (Initials)

2023 1/20 STR Reassessment: Confirmed sketch and amenities. No changes since last review. Listing indicates primary use is STR. Questionnaire answers do not agree with listing data. Use questionable. (Initials)

7-35-2 Definitions

J. "residential property" means property consisting of one or more dwellings together with appurtenant structures, the land underlying both the dwellings and the appurtenant structures and a quantity of land reasonably necessary for parking and other uses that facilitate the use of the dwellings and appurtenant structures; as used in this subsection, "dwellings" includes both manufactured homes and other structures when used primarily for permanent human habitation, but the term does not include structures when used primarily for temporary or transient human habitation such as hotels, motels and similar structures;

7-36-21.2 Limitation on increases in valuation of residential property.

A. Residential property shall be valued at its current and correct value in accordance with the provisions of the Property Tax Code; provided that for the 2001 and subsequent tax years, the value of a property in any tax year shall not exceed the higher of one hundred three percent of the value in the tax year prior to the tax year in which the property is being valued or one hundred six and one-tenth percent of the value in the tax year two years prior to the tax year in which the property is being valued. This limitation on increases in value does not apply to:

- (b) the use or zoning of the property has changed in the year prior to the tax year.

Short Term Rental (STR) Checklist

Location ID:

Qualification Considerations

	Yes	No	?
Owner occupied?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Less than 50% of Heated Living Space available for short term rental?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Available only as long term rental (30 day minimum stay)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Listed as a short term rental more than 183 days in past 365 days?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Multiple rentals during 30 day period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Listed for more than 183 days, but no documented stays?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Listed and rented for more than 183 days, but operations stopped?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Questionnaire disagrees with listing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Determination

	Yes	No	?
Qualifies as Short Term Rental?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Actions

In ProVal, conduct standard reassessment:

- Update amenities, sketch, grade/condition, effective age, etc.

In Workflow, add the following documents:

- Host Compliance Summary from Granicus, if available.
- Property Record Card

If Questionable, Final Determination

	Yes	No
Qualifies as Short Term Rental?	<input type="checkbox"/>	<input type="checkbox"/>

Deciding Factor(s):

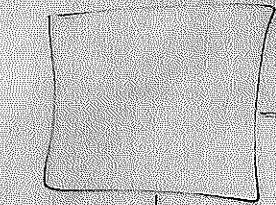
If No Change...

- In ProVal:
- Add notes

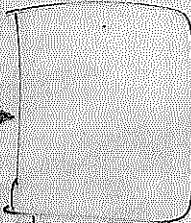
If Change...

- In ProVal:
- Update allocations
 - Update land type(s) and pricing method(s)
 - Update property class on Admin tab
 - Add notes

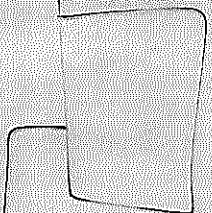
1.1 DESKTOP REVIEW



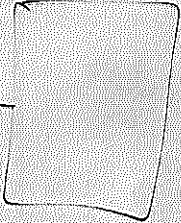
1.1.1 REQUEST FIELD REVIEW



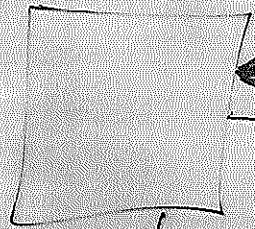
1.1.2 FIELD REVIEW



1.1.3 REJECTED FIELD REVIEW



1.2 SUPERVISOR REVIEW

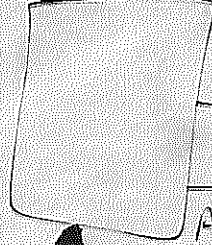


APPROVED

APPRAISAL SUPERVISOR QA & ESCALATION

REJECTED

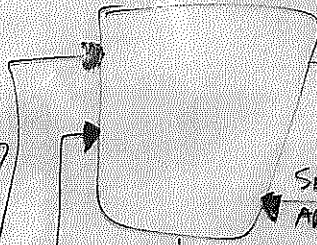
2.1 QA REVIEW



ACCEPTED

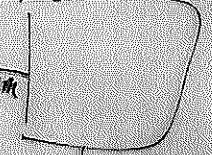
REJECTED

2.1.1 APPRAISAL RESPONSE TO QA



DISAGREEMENT

2.1.3 QA APPRAISAL ESCALATION



SEND TO APPRAISAL

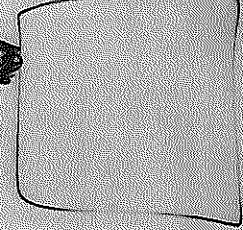
SEND TO QA

2.1.2 QA RESPONSE TO APPRAISAL

REJECTED AGAIN

ACCEPTED

3.1 EXEMPTION REVIEW



QA HITS TOO!

