

Opinion No. 61-64

July 19, 1961

BY: OPINION OF EARL E. HARTLEY, Attorney General Oliver E. Payne, Assistant Attorney General

TO: Carroll J. Lee, Executive, Director Oil and Gas Accounting Commission, P.O. Box 450, Santa Fe, New Mexico

QUESTION

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Is property owned by a town or school district exempt from the taxes imposed on the severance and sale of hydrocarbons?

CONCLUSION

Yes.

OPINION

ANALYSIS

Article VIII, Section 3, of the New Mexico Constitution provides as follows:

"The property of the United States, the state and all counties, **towns**, cities and **school districts**. . . shall be exempt from taxation." (Emphasis added).

This provision applies to both real and personal property. Thus while the statutes relative to taxes imposed on the severance and sale of hydrocarbons do not exempt property owned by towns or school districts, the interest that is owned by the town and school districts is exempt by virtue of the above-quoted constitutional provision. See **State v. Locke**, 29 N.M. 148, 219 Pac. 790.