The Legislature
of the
State of New Mexico

52nd Legislature, 1st Session

LAWS 2015

CHAPTER 136

SENATE BILL 453,

with emergency clause

Introduced by

SENATOR CLIFF R. PIRTL

EMERGENCY CLAUSE
CHAPTER 136

AN ACT

RELATING TO RELOCATION PAYMENTS; INCREASING THE AMOUNTS AUTHORIZED FOR PAYMENT TO A PERSON OR BUSINESS DISPLACED BY AN AGENCY PROGRAM OR PROJECT; AMENDING SECTIONS OF THE NMSA 1978; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 42-3-5 NMSA 1978 (being Laws 1972, Chapter 41, Section 6, as amended) is amended to read:

"42-3-5. RELOCATION PAYMENTS.--

A. Whenever a program or project undertaken by an agency will result in the displacement of a person, the displacing agency shall provide for payment to the displaced person for:

(1) actual reasonable expenses in moving the person or the person's family, business, farm operation or other personal property;

(2) actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate the property, as determined by the displacing agency;

(3) actual reasonable expenses in searching for a replacement business or farm, supported by
documentation that the displacing agency by regulation may require; and

(4) actual reasonable expenses necessary to reestablish a displaced farm or business at its new site, in accordance with criteria to be established by the displacing agency but not to exceed twenty-five thousand dollars ($25,000).

B. A displaced person eligible for payments under Subsection A of this section who is displaced from a dwelling and who elects to accept the payment authorized by this subsection in lieu of the payments authorized by Subsection A of this section may receive an expense and dislocation allowance that shall be determined according to a schedule established by the displacing agency.

C. A displaced person eligible for payments under Subsection A of this section who is displaced from the person's place of business or from the person's farm operation and who is eligible under the criteria established by the displacing agency may elect to accept the payment authorized by this subsection in lieu of the payment authorized by Subsection A of this section. The payment shall consist of a fixed payment in an amount to be determined according to the criteria established by the displacing agency, except that the payment shall be not less than one thousand dollars ($1,000) nor more than forty
thousand dollars ($40,000). A person whose sole business at
the displacement dwelling is the rental of the dwelling to
others shall not qualify for a payment under this
subsection."

SECTION 2. Section 42-3-6 NMSA 1978 (being Laws 1972,
Chapter 41, Section 7, as amended) is amended to read:

"42-3-6. ADDITIONAL PAYMENT TO PROPERTY OWNER.--

A. In addition to payments authorized by Section
42-3-5 NMSA 1978, the displacing agency, as a part of the
cost of the program or project, may make an additional
payment not to exceed thirty-one thousand dollars ($31,000)
to a displaced person who is displaced from a dwelling
actually owned and occupied by the displaced person for not
less than ninety days prior to the initiation of negotiations
for acquisition of the property. The additional payment
shall include the following:

(1) the amount that when added to the
acquisition cost to the displacing agency of the dwelling
acquired by the displacing agency equals the reasonable cost
of a comparable replacement dwelling;

(2) the amount that will compensate the
displaced person for any increased interest cost and other
debt service costs that the displaced person is required to
pay for financing the acquisition of a comparable replacement
dwelling. The amount shall be paid only if the dwelling
acquired by the displacing agency was encumbered by a bona
fide mortgage that was a valid lien on the dwelling for not
less than one hundred eighty days prior to the initiation of
negotiations for the acquisition of the dwelling. The amount
of the increased costs shall be equal to the excess in the
aggregate interest and other debt service costs of the amount
of the principal of the mortgage on the replacement dwelling
that is equal to the unpaid balance of the mortgage on the
acquired dwelling, over the remainder term of the mortgage on
the acquired dwelling, reduced to discounted present value.
The discount rate shall be the prevailing interest rate paid
on savings deposits by commercial banks in the general area
in which the replacement dwelling is located; and

(3) reasonable expenses incurred by the
displaced person for evidence of title, recording fees and
other closing costs incident to the purchase of a comparable
replacement dwelling, but not including prepaid expenses.

B. The additional payment authorized by this
section shall be made only to a displaced person who
purchases and occupies a comparable replacement dwelling not
later than the end of the one-year period beginning on the
date on which the displaced person receives from the
displacing agency final payment of all costs of the acquired
dwelling or on the date on which the displacing agency's
obligations, pursuant to Paragraph (3) of Subsection C of
Section 42-3-11 NMSA 1978, are fulfilled, whichever is the later date. The displacing agency may extend this one-year period for good cause. If this one-year period is extended, the payment under this section shall be based on the costs of relocating the displaced person to a comparable replacement dwelling within one year of such date."

SECTION 3. Section 42-3-7 NMSA 1978 (being Laws 1989, Chapter 121, Section 7) is amended to read:

"42-3-7. ADDITIONAL PAYMENT TO TENANT.--

A. In addition to amounts otherwise authorized by the Relocation Assistance Act, the displacing agency shall make a payment to or for any displaced person displaced from any dwelling not eligible to receive a payment under Section 42-3-6 NMSA 1978 when that dwelling was actually and lawfully occupied by the displaced person for not less than ninety days immediately prior to the initiation of negotiations for acquisition of the dwelling or in any case in which the displacement is a direct result of acquisition or other event as the displacing agency shall prescribe.

B. The payment in Subsection A of this section shall consist of the amount necessary to enable the displaced person to lease or rent for a period not to exceed forty-two months a comparable replacement dwelling, but at no time shall this payment exceed seven thousand two hundred dollars ($7,200). At the discretion of the displacing agency, a
payment under this subsection may be made in periodic
installments. Computation of a payment under this subsection
to a low-income displaced person for a comparable replacement
dwelling shall take into account that person's income.

C. Any person eligible for a payment under
Subsection A of this section may elect to apply the payment
to a down payment on, and other incidental expenses pursuant
to, the purchase of a comparable replacement dwelling. That
person may, at the discretion of the displacing agency, be
eligible under this subsection for the maximum payment
allowed under Subsection B of this section, except that, in
the case of a displaced homeowner who has owned and occupied
the displacement dwelling for at least ninety days
immediately prior to the initiation of negotiations for the
acquisition of the dwelling, this payment shall not exceed
the payment the person would otherwise have received under
Subsection A of Section 42-3-6 NMSA 1978 had the person owned
and occupied the displacement dwelling ninety days
immediately prior to the initiation of such negotiations."

SECTION 4. EMERGENCY.--It is necessary for the public
peace, health and safety that this act take effect
immediately.
John A. Sanchez, President
Senate

Lenore M. Naranjo, Chief Clerk
Senate

Don L. Tripp, Speaker
House of Representatives

Denise Ramonas, Chief Clerk
House of Representatives

Approved by me this 10th day of April, 2015

Governor Susana Martinez
State of New Mexico