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SENATE BILL 119

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO FINANCE; CREATING THE DEMOLITION FUND; ALLOWING THE
LOCAL GOVERNMENT DIVISION OF THE DEPARTMENT OF FINANCE AND
ADMINISTRATION TO PROVIDE GRANTS FOR COUNTIES AND
MUNICIPALITIES OR OTHER PROPERTY OWNERS TO DEMOLISH
DETERIORATED OR CONDEMNED RESIDENTIAL PROPERTIES; MAKING AN
APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] DEMOLITION FUND.--

A. The "demolition fund" is created in the state
treasury. The fund consists of appropriations, gifts, grants,
donations and income from investment of the fund. Money in the
fund at the end of a fiscal year shall not revert to any other
fund. The local government division of the department of
finance and administration shall administer the fund, and money

.232314.3

1 in the fund is appropriated to the local government division to
2 provide grants to counties and municipalities to:

3 (1) demolish condemned residential properties;
4 and

5 (2) provide reimbursement for demolition costs
6 incurred by a residential property owner pursuant to a county
7 or municipal demolition program.

8 B. Disbursements from the fund shall be made by
9 warrant of the secretary of finance and administration pursuant
10 to vouchers signed by the secretary of finance and
11 administration or the secretary's authorized representative.

12 C. By December 1, 2026, the local government
13 division of the department of finance and administration shall
14 promulgate rules for the administration of the demolition fund,
15 including procedures for providing grants to counties and
16 municipalities to:

17 (1) demolish condemned residential properties;
18 and

19 (2) create a program that allows a property
20 owner to apply for reimbursement for costs to demolish the
21 applicant's residential property; provided that the property
22 is:

23 (a) in a slum or blighted area subject
24 to a metropolitan redevelopment project; or

25 (b) significantly deteriorated and the

1 owner includes documentation in the application for
2 reimbursement showing that the costs of repairs significantly
3 outweigh the costs of demolition.

4 **SECTION 2. APPROPRIATION.**--Five million dollars
5 (\$5,000,000) is appropriated from the general fund to the
6 demolition fund for expenditure in fiscal year 2027 and
7 subsequent fiscal years to provide grants to counties and
8 municipalities to demolish condemned residential properties in
9 accordance with rules promulgated by the local government
10 division of the department of finance and administration
11 pursuant to Section 1 of this act. Any unexpended balance
12 remaining at the end of a fiscal year shall not revert to the
13 general fund.

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