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SENATE BILL 453

**52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

INTRODUCED BY  
Cliff R. Pirtle

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 ~~[any]~~ a person, the  
displacing agency shall provide for payment to the displaced  
person for:

- (1) actual reasonable expenses in moving  
~~[himself, his]~~ the person or the person's family, business,

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1 farm operation or other personal property;

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

7 (3) actual reasonable expenses in searching  
8 for a replacement business or farm, supported by documentation  
9 [~~which~~] that the displacing agency by regulation may require;  
10 and

11 (4) actual reasonable expenses necessary to  
12 reestablish a displaced farm or business at its new site, in  
13 accordance with criteria to be established by the displacing  
14 agency but not to exceed [~~ten thousand dollars (\$10,000)~~]  
15 twenty-five thousand dollars (\$25,000).

16 B. [~~Any~~] A displaced person eligible for payments  
17 under Subsection A of this section who is displaced from a  
18 dwelling and who elects to accept the payment authorized by  
19 this subsection in lieu of the payments authorized by  
20 Subsection A of this section may receive an expense and  
21 dislocation allowance [~~which~~] that shall be determined  
22 according to a schedule established by the displacing agency.

23 C. [~~Any~~] A displaced person eligible for payments  
24 under Subsection A of this section who is displaced from [~~his~~]  
25 the person's place of business or from [~~his~~] the person's farm

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1 operation and who is eligible under the criteria established by  
2 the displacing agency may elect to accept the payment  
3 authorized by this subsection in lieu of the payment authorized  
4 by Subsection A of this section. The payment shall consist of  
5 a fixed payment in an amount to be determined according to the  
6 criteria established by the displacing agency, except that the  
7 payment shall be not less than one thousand dollars (\$1,000)  
8 nor more than [~~twenty thousand dollars (\$20,000)~~] forty  
9 thousand dollars (\$40,000). A person whose sole business at  
10 the displacement dwelling is the rental of the dwelling to  
11 others shall not qualify for a payment under this subsection."

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

14 "42-3-6. ADDITIONAL PAYMENT TO PROPERTY OWNER.--

15 A. In addition to payments authorized by Section  
16 42-3-5 NMSA 1978, the displacing agency, as a part of the cost  
17 of the program or project, may make an additional payment not  
18 to exceed [~~twenty-two thousand five hundred dollars (\$22,500)~~]  
19 thirty-one thousand dollars (\$31,000) to [~~any~~] a displaced  
20 person who is displaced from a dwelling actually owned and  
21 occupied by the displaced person for not less than [~~one hundred~~  
22 ~~eighty~~] ninety days prior to the initiation of negotiations for  
23 acquisition of the property. The additional payment shall  
24 include the following:

25 (1) the amount [~~if any, which~~] that when added

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1 to the acquisition cost to the displacing agency of the  
2 dwelling acquired by the displacing agency equals the  
3 reasonable cost of a comparable replacement dwelling;

4 (2) the amount [~~if any, which~~] that will  
5 compensate the displaced person for any increased interest cost  
6 and other debt service costs [~~which he~~] that the displaced  
7 person is required to pay for financing the acquisition of  
8 [~~any~~] a comparable replacement dwelling. The amount shall be  
9 paid only if the dwelling acquired by the displacing agency was  
10 encumbered by a bona fide mortgage [~~which~~] that was a valid  
11 lien on the dwelling for not less than one hundred eighty days  
12 prior to the initiation of negotiations for the acquisition of  
13 the dwelling. The amount of the increased costs shall be equal  
14 to the excess in the aggregate interest and other debt service  
15 costs of the amount of the principal of the mortgage on the  
16 replacement dwelling [~~which~~] that is equal to the unpaid  
17 balance of the mortgage on the acquired dwelling, over the  
18 remainder term of the mortgage on the acquired dwelling,  
19 reduced to discounted present value. The discount rate shall  
20 be the prevailing interest rate paid on savings deposits by  
21 commercial banks in the general area in which the replacement  
22 dwelling is located; and

23 (3) reasonable expenses incurred by the  
24 displaced person for evidence of title, recording fees and  
25 other closing costs incident to the purchase of a comparable

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1 replacement dwelling, but not including prepaid expenses.

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

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

17 "42-3-7. ADDITIONAL PAYMENT TO TENANT.--

18 A. In addition to amounts otherwise authorized by  
19 the Relocation Assistance Act, the displacing agency shall make  
20 a payment to or for any displaced person displaced from any  
21 dwelling not eligible to receive a payment under Section 42-3-6  
22 NMSA 1978 when that dwelling was actually and lawfully occupied  
23 by the displaced person for not less than ninety days  
24 immediately prior to the initiation of negotiations for  
25 acquisition of the dwelling or in any case in which the

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1 displacement is a direct result of acquisition or other event  
2 as the displacing agency shall prescribe.

3 B. The payment in Subsection A of this section  
4 shall consist of the amount necessary to enable the displaced  
5 person to lease or rent for a period not to exceed forty-two  
6 months a comparable replacement dwelling, but at no time shall  
7 this payment exceed [~~five thousand two hundred fifty dollars~~  
8 ~~(\$5,250)~~] seven thousand two hundred dollars (\$7,200). At the  
9 discretion of the displacing agency, a payment under this  
10 subsection may be made in periodic installments. Computation  
11 of a payment under this subsection to a low-income displaced  
12 person for a comparable replacement dwelling shall take into  
13 account that person's income.

14 C. Any person eligible for a payment under  
15 Subsection A of this section may elect to apply the payment to  
16 a down payment on, and other incidental expenses pursuant to,  
17 the purchase of a comparable replacement dwelling. That person  
18 may, at the discretion of the displacing agency, be eligible  
19 under this subsection for the maximum payment allowed under  
20 Subsection B of this section, except that, in the case of a  
21 displaced homeowner who has owned and occupied the displacement  
22 dwelling for at least ninety days [~~but not more than one~~  
23 ~~hundred eighty days~~] immediately prior to the initiation of  
24 negotiations for the acquisition of the dwelling, this payment  
25 shall not exceed the payment the person would otherwise have

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1 received under Subsection A of Section 42-3-6 NMSA 1978 had the  
2 person owned and occupied the displacement dwelling [~~one~~  
3 ~~hundred eighty~~] ninety days immediately prior to the initiation  
4 of such negotiations."

5 SECTION 4. EMERGENCY.--It is necessary for the public  
6 peace, health and safety that this act take effect immediately.

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