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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/06

SPONSOR Carraro LAST UPDATED _____ HB _____

SHORT TITLE Define & Limit Private Property Takings, SB SJR 4

ANALYST Quezada

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to SJR1, and HB27 SB 231 Identical bills

SOURCES OF INFORMATION

LFC Files
Secretary of State's Office (SOS)

Responses Received From

There were no responses from agencies

SUMMARY

Senate Joint Resolution 4 proposes to amend article 2, Section 20 of the New Mexican Constitution to stipulate that private property may be taken only for public use, for the good of the public and only of just payment of compensation. Senate Joint Resolution proposes to define and limit the public use for which private property may be taken or damaged by excluding development, or commerce except in certain situations. In addition, Senate Joint Resolution proposes private property shall not be taken from owner and transferred to another private owner on the grounds that the public will benefit from a more profitable use of property.

FISCAL IMPLICATIONS

There is no fiscal impact if the amendment is included in the general election. However, there would be an estimated cost of \$ 1.8 million if the constitutional amendment were proposed for a special election, according to the Secretary of State's staff.

SIGNIFICANT ISSUES

In *kelo v London, Connecticut* the U.S. Supreme Court held that local governments have the authority to use eminent domain to take private property for economic development. Existing New

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Mexico statutes allow the use of eminent domain. The proposed amendment would prohibit the taking of private use in economic development.

Relates To

SJR 4 relates to SJR 1 HB 27 and SB 231, identical bills both titled Eminent Domain for Economic Development. The bills stipulate that:

“The state or a local public body shall not condemn private property if the taking is to promote private or commercial development and title to the property is transferred to another private entity.”

JQ/mt