

AN ACT

RELATING TO CONSTRUCTION CONTRACTS; REQUIRING LITIGATION AND
DISPUTE RESOLUTION PROCEEDINGS ARISING FROM CONSTRUCTION
CONTRACTS IN NEW MEXICO TO OCCUR IN NEW MEXICO.

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

SECTION 1. A new section of Chapter 57 NMSA 1978 is
enacted to read:

"CONSTRUCTION CONTRACTS--PROVISIONS VOID.--

A. A provision of a construction contract,
agreement, understanding, specification or other documentation
that is made part of a construction contract for an
improvement to real property in New Mexico is void,
unenforceable and against the public policy of the state if
the provision:

(1) makes the construction contract subject
to the laws of another state; or

(2) requires any litigation arising from the
construction contract to be conducted in another state.

B. Any mediation, arbitration or other dispute
resolution proceeding arising from or relating to a
construction contract for work performed in this state shall
be conducted in this state.

C. As used in this section, "construction
contract" means a public, private, foreign or domestic

contract or agreement relating to construction, alteration, repair or maintenance of any real property in New Mexico and includes agreements for architectural services, demolition, design services, development, engineering services, excavation or other improvement to real property, including buildings, shafts, wells and structures, whether on, above or under real property."

SECTION 2. APPLICABILITY.--The provisions of this act apply to contracts entered into on or after July 1, 2011.

SECTION 3. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2011._____