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HOUSE BILL 123

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

Charlotte Little

AN ACT

RELATING TO PROPERTY; ENACTING THE UNIFORM COHABITANTS' ECONOMIC REMEDIES ACT; PROVIDING A RIGHT OF ACTION TO COHABITANTS FOR CONTRACTUAL AND EQUITABLE CLAIMS ARISING OUT OF CONTRIBUTIONS TO THE RELATIONSHIP OF THE COHABITANTS; ESTABLISHING REQUIREMENTS OF A COHABITANTS' AGREEMENT; PROVIDING A RIGHT TO THIRD PARTIES TO ENFORCE JUDGMENTS AGAINST COHABITANTS; PROVIDING REMEDIES.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Uniform Cohabitants' Economic Remedies Act".

SECTION 2. [NEW MATERIAL] DEFINITIONS.--As used in the Uniform Cohabitants' Economic Remedies Act:

A. "cohabitant" means each of two people not married to each other who live together as a couple after each

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1 has reached the age of majority or been emancipated, but does
2 not include two persons who cannot lawfully marry because both
3 persons are relatives within a prohibited degree pursuant to
4 state law;

5 B. "cohabitants' agreement" means an agreement
6 between two people concerning contributions to the relationship
7 if these people are to become, are or were cohabitants and
8 includes a waiver of rights under the Uniform Cohabitants'
9 Economic Remedies Act;

10 C. "contributions to the relationship" means the
11 contributions of a cohabitant that benefit the other
12 cohabitant, both cohabitants or the cohabitants' relationship
13 in the form of efforts, activities, services or property and:

14 (1) includes cooking, cleaning, shopping,
15 household maintenance, conducting errands and other domestic
16 services for the benefit of the other cohabitant or the
17 cohabitants' relationship;

18 (2) includes otherwise caring for the other
19 cohabitant, a child in common or another family member of the
20 other cohabitant; and

21 (3) does not include sexual relations;

22 D. "property" means anything that may be the
23 subject of ownership, whether real or personal, tangible or
24 intangible, legal or equitable or any interest therein,
25 including responsibility for a debt;

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1 E. "record" means information:

2 (1) inscribed on a tangible medium; or

3 (2) stored in an electronic or other medium
4 and retrievable in perceivable form;

5 F. "state" means a state of the United States, the
6 District of Columbia, Puerto Rico, the United States Virgin
7 Islands or any other territory or possession subject to the
8 jurisdiction of the United States; and

9 G. "termination of cohabitation" means the earliest
10 of:

11 (1) the death of a cohabitant;

12 (2) the date the cohabitants stop living
13 together as a couple; or

14 (3) the date of the cohabitants' marriage to
15 each other.

16 SECTION 3. [NEW MATERIAL] SCOPE.--The Uniform
17 Cohabitants' Economic Remedies Act applies only to a
18 contractual claim or an equitable claim between cohabitants
19 concerning an interest, promise or obligation arising from
20 contributions to the relationship. The rights and remedies of
21 cohabitants under the Uniform Cohabitants' Economic Remedies
22 Act are not exclusive.

23 SECTION 4. [NEW MATERIAL] RIGHT OF COHABITANT TO BRING
24 ACTION.--

25 A. A person who is or was a cohabitant may commence

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1 an action on a contractual claim or an equitable claim that
2 arises out of contributions to the relationship. No provision
3 of the Uniform Cohabitants' Economic Remedies Act shall be
4 interpreted as to create or allow the creation of an equitable
5 lien. The action is not:

6 (1) barred because of a sexual relationship
7 between the cohabitants;

8 (2) subject to additional substantive or
9 procedural requirements because the parties to the action are
10 or were cohabitants or because of a sexual relationship between
11 the cohabitants; or

12 (3) extinguished by the marriage of the
13 cohabitants to each other.

14 B. The action may be commenced on behalf of a
15 deceased cohabitant's estate.

16 C. The action may be commenced against a deceased
17 cohabitant's estate and adjudicated pursuant to a law of this
18 state applicable to a claim against a decedent's estate.

19 SECTION 5. [NEW MATERIAL] GOVERNING LAW.--

20 A. Except as otherwise provided in the Uniform
21 Cohabitants' Economic Remedies Act, a claim under the Uniform
22 Cohabitants' Economic Remedies Act is governed by other laws of
23 this state, including this state's choice-of-law rules.

24 B. The validity, enforceability, interpretation and
25 construction of a cohabitants' agreement are determined by:

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1 (1) the state law designated in the agreement
2 if the designation is valid under other state law; or

3 (2) in the absence of a designation effective
4 under Paragraph (1) of this subsection, the law of this state,
5 including this state's choice-of-law rules.

6 SECTION 6. [NEW MATERIAL] COHABITANTS' AGREEMENT.--

7 A. A cohabitants' agreement may be oral, in a
8 record, express or implied-in-fact.

9 B. Contributions to the relationship are sufficient
10 consideration for a cohabitants' agreement.

11 C. A claim for breach of a cohabitants' agreement
12 accrues on breach and may be commenced, pursuant to Chapter 37,
13 Article 1 NMSA 1978, during cohabitation or after termination
14 of cohabitation.

15 D. A term in a cohabitants' agreement that
16 adversely affects a child's right to support is unenforceable.

17 E. A term in a cohabitants' agreement that requires
18 or limits the ability of a cohabitant to pursue a civil,
19 criminal or administrative remedy is voidable to the extent the
20 remedy is available because the cohabitant is a victim of
21 domestic abuse as defined pursuant to the Family Violence
22 Protection Act.

23 SECTION 7. [NEW MATERIAL] EQUITABLE RELIEF.--

24 A. Unless maintaining the action is inconsistent
25 with a valid cohabitants' agreement, a cohabitant may commence

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1 an equitable action against the other cohabitant concerning
2 entitlement to property based on contributions to the
3 relationship. The action is in addition to any remedy
4 otherwise available to the cohabitant pursuant to the Uniform
5 Cohabitants' Economic Remedies Act or other state law or
6 federal law.

7 B. A cohabitant may commence an action provided
8 pursuant to the Uniform Cohabitants' Economic Remedies Act in
9 the family court division of any state district court.

10 C. An equitable claim based on contributions to the
11 relationship accrues on termination of cohabitation and is
12 subject to equitable defenses.

13 D. In addition to other laws governing an equitable
14 claim, the court adjudicating a claim under this section shall
15 consider:

16 (1) the nature and value of contributions to
17 the relationship by each cohabitant, including the value to
18 each cohabitant and the market value of the contributions;

19 (2) the duration and continuity of the
20 cohabitation;

21 (3) the extent to which a cohabitant
22 reasonably relied on representations or conduct of the other
23 cohabitant;

24 (4) the extent to which a cohabitant
25 demonstrated an intent to share or not to share property with

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1 the other cohabitant; and

2 (5) other relevant factors.

3 SECTION 8. [NEW MATERIAL] EFFECT OF COURT ORDER OR
4 JUDGMENT ON THIRD PARTY.--

5 A. A court order or judgment granting relief under
6 the Uniform Cohabitants' Economic Remedies Act against a
7 cohabitant or a cohabitant's estate is an order or judgment in
8 favor of a general creditor.

9 B. A court order or judgment granting relief under
10 the Uniform Cohabitants' Economic Remedies Act shall not impair
11 the rights of a good-faith purchaser from or secured creditor
12 of a cohabitant.

13 SECTION 9. [NEW MATERIAL] PRINCIPLES OF LAW AND EQUITY.--
14 The principles of law and equity supplement the Uniform
15 Cohabitants' Economic Remedies Act except to the extent
16 inconsistent with the Uniform Cohabitants' Economic Remedies
17 Act.

18 SECTION 10. [NEW MATERIAL] UNIFORMITY OF APPLICATION AND
19 CONSTRUCTION.--In applying and construing the Uniform
20 Cohabitants' Economic Remedies Act, a court shall consider the
21 promotion of uniformity of the law among jurisdictions that
22 enact it.

23 SECTION 11. [NEW MATERIAL] RELATION TO ELECTRONIC
24 SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.--The Uniform
25 Cohabitants' Economic Remedies Act modifies, limits or

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1 supersedes the federal Electronic Signatures in Global and
2 National Commerce Act, 15 U.S.C. Section 7001 et seq., as
3 amended, but does not modify, limit or supersede 15 U.S.C.
4 Section 7001(c) or authorize electronic delivery of any of the
5 notices described in 15 U.S.C. Section 7003(b).

6 SECTION 12. [NEW MATERIAL] TRANSITIONAL PROVISIONS.--

7 A. The Uniform Cohabitants' Economic Remedies Act
8 applies to a cohabitants' agreement made on or after the
9 effective date of the Uniform Cohabitants' Economic Remedies
10 Act.

11 B. The Uniform Cohabitants' Economic Remedies Act
12 applies to an equitable claim pursuant to the Uniform
13 Cohabitants' Economic Remedies Act that accrues on or after the
14 effective date of the Uniform Cohabitants' Economic Remedies
15 Act.

16 SECTION 13. [NEW MATERIAL] SEVERABILITY.--If a provision
17 of the Uniform Cohabitants' Economic Remedies Act or its
18 application to a person or circumstance is held invalid, the
19 invalidity does not affect another provision or application
20 that can be given effect without the invalid provision.

21 SECTION 14. EFFECTIVE DATE.--The effective date of the
22 provisions of this act is July 1, 2025.