

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/10/2025 *Check all that apply:*
Bill Number: SB311 Original Correction
 Amendment Substitute

Sponsor:	<u>Antonio Maestas</u>	Agency Name and Code	<u>Economic Development Department</u>
Short Title:	<u>Metro Redevelopment Code Eminent Domain</u>	Number:	<u>41900</u>
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SB 311 adds the power of eminent domain to the New Mexico Metropolitan Redevelopment Code.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

SB 311 grants local governments the authority to utilize the power of eminent domain when implementing redevelopment or economic development projects within an adopted Metropolitan Redevelopment Area.

This power was removed from the NM Metropolitan Redevelopment Code in 2007 by HB393 based on recommendations of the 2006 Governor's Task Force on the Responsible Use of Eminent Domain by State and Local Governments.

The New Mexico Metropolitan Redevelopment Code (3-60A-1 to 3-60A-48 NMSA 1978) empowers municipalities and counties with additional authorities to rehabilitate and redevelop areas that are deteriorated, blighted or underutilized to stimulate economic development and community well-being by establishing it as a Metropolitan Redevelopment Area (MRA). The Code provides the local governing body with the powers to correct conditions in areas or neighborhoods which “substantially inflict or arrest the sound and orderly development” within the area. These powers are designed to help reverse an area’s decline and stagnation. Designation of a MRA is based on findings of deteriorated or blighted conditions, which include physical as well as economic conditions.

In the context of the Metropolitan Redevelopment Code, eminent domain refers to the legal power a government entity would then have to seize private property within a designated redevelopment area. SB311 allows local governments to acquire land for public use to facilitate revitalization projects but it would come with some legal limitations on when and how it can be exercised as the MR Code outlines a strict process for designating and adopting a Metropolitan Redevelopment Area Plan and implementing MR projects.

One requirement is for the local governing body to pass a resolution declaring that a proposed area meets the definition for slum or blight and that remedying the slum or blight is in the interest of the public health, safety, morals or welfare of the residents of the local community. The designation process also requires a formal vote of the local governmental body adopting the area and boundaries and requires the local governmental body to provide two public notices of its intent to hold an MRA designation hearing and to declare the slum or blighted area as a redevelopment area.

When a local governmental body adopts a designated MRA by formal resolution, it will then

develop and adopt a Metropolitan Redevelopment Area Plan. The MRA Plan defines the community's vision for the area and identifies priority catalytic projects to revitalize the area through a community participation process. The MRA Plan examines existing conditions and assets, analyses the downtown economics and market, develops a physical land use plan, indicates specific redevelopment sites and projects, and identifies implementation strategies and funding sources for future physical improvements.

The Plan is designed to identify specific redevelopment projects that, when implemented, will eliminate the blighted conditions and stimulate economic activity. These projects can include land acquisition/assembly, building rehabilitation and adaptive reuse, demolition, site specific zoning standards, transportation improvements, construction of community facilities, cultural facilities, and housing. Through the identification of these projects and strategies, the MRA Plan enacts the specific powers allowed under the Redevelopment Code.

The ability of local governments to utilize the power of eminent domain allowed under SB 311 would therefore be limited to priority projects outlined in an MRA Plan.

PERFORMANCE IMPLICATIONS

None for NMEDD.

ADMINISTRATIVE IMPLICATIONS

None for NMEDD.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

None suggested by NMEDD.