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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 a person, the  
displacing agency shall provide for payment to the displaced  
person for:

(1) actual reasonable expenses in moving the  
person or the person's family, business, farm operation or  
other personal property;

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

(3) actual reasonable expenses in searching  
for a replacement business or farm, supported by

1 documentation that the displacing agency by regulation may  
2 require; and

3 (4) actual reasonable expenses necessary to  
4 reestablish a displaced farm or business at its new site, in  
5 accordance with criteria to be established by the displacing  
6 agency but not to exceed twenty-five thousand dollars  
7 (\$25,000).

8 B. A displaced person eligible for payments under  
9 Subsection A of this section who is displaced from a dwelling  
10 and who elects to accept the payment authorized by this  
11 subsection in lieu of the payments authorized by Subsection A  
12 of this section may receive an expense and dislocation  
13 allowance that shall be determined according to a schedule  
14 established by the displacing agency.

15 C. A displaced person eligible for payments under  
16 Subsection A of this section who is displaced from the  
17 person's place of business or from the person's farm  
18 operation and who is eligible under the criteria established  
19 by the displacing agency may elect to accept the payment  
20 authorized by this subsection in lieu of the payment  
21 authorized by Subsection A of this section. The payment  
22 shall consist of a fixed payment in an amount to be  
23 determined according to the criteria established by the  
24 displacing agency, except that the payment shall be not less  
25 than one thousand dollars (\$1,000) nor more than forty

1 thousand dollars (\$40,000). A person whose sole business at  
2 the displacement dwelling is the rental of the dwelling to  
3 others shall not qualify for a payment under this  
4 subsection."

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

7 "42-3-6. ADDITIONAL PAYMENT TO PROPERTY OWNER.--

8 A. In addition to payments authorized by Section  
9 42-3-5 NMSA 1978, the displacing agency, as a part of the  
10 cost of the program or project, may make an additional  
11 payment not to exceed thirty-one thousand dollars (\$31,000)  
12 to a displaced person who is displaced from a dwelling  
13 actually owned and occupied by the displaced person for not  
14 less than ninety days prior to the initiation of negotiations  
15 for acquisition of the property. The additional payment  
16 shall include the following:

17 (1) the amount that when added to the  
18 acquisition cost to the displacing agency of the dwelling  
19 acquired by the displacing agency equals the reasonable cost  
20 of a comparable replacement dwelling;

21 (2) the amount that will compensate the  
22 displaced person for any increased interest cost and other  
23 debt service costs that the displaced person is required to  
24 pay for financing the acquisition of a comparable replacement  
25 dwelling. The amount shall be paid only if the dwelling

1 acquired by the displacing agency was encumbered by a bona  
2 fide mortgage that was a valid lien on the dwelling for not  
3 less than one hundred eighty days prior to the initiation of  
4 negotiations for the acquisition of the dwelling. The amount  
5 of the increased costs shall be equal to the excess in the  
6 aggregate interest and other debt service costs of the amount  
7 of the principal of the mortgage on the replacement dwelling  
8 that is equal to the unpaid balance of the mortgage on the  
9 acquired dwelling, over the remainder term of the mortgage on  
10 the acquired dwelling, reduced to discounted present value.  
11 The discount rate shall be the prevailing interest rate paid  
12 on savings deposits by commercial banks in the general area  
13 in which the replacement dwelling is located; and

14 (3) reasonable expenses incurred by the  
15 displaced person for evidence of title, recording fees and  
16 other closing costs incident to the purchase of a comparable  
17 replacement dwelling, but not including prepaid expenses.

18 B. The additional payment authorized by this  
19 section shall be made only to a displaced person who  
20 purchases and occupies a comparable replacement dwelling not  
21 later than the end of the one-year period beginning on the  
22 date on which the displaced person receives from the  
23 displacing agency final payment of all costs of the acquired  
24 dwelling or on the date on which the displacing agency's  
25 obligations, pursuant to Paragraph (3) of Subsection C of

1 Section 42-3-11 NMSA 1978, are fulfilled, whichever is the  
2 later date. The displacing agency may extend this one-year  
3 period for good cause. If this one-year period is extended,  
4 the payment under this section shall be based on the costs of  
5 relocating the displaced person to a comparable replacement  
6 dwelling within one year of such date."

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

9 "42-3-7. ADDITIONAL PAYMENT TO TENANT.--

10 A. In addition to amounts otherwise authorized by  
11 the Relocation Assistance Act, the displacing agency shall  
12 make a payment to or for any displaced person displaced from  
13 any dwelling not eligible to receive a payment under Section  
14 42-3-6 NMSA 1978 when that dwelling was actually and lawfully  
15 occupied by the displaced person for not less than ninety  
16 days immediately prior to the initiation of negotiations for  
17 acquisition of the dwelling or in any case in which the  
18 displacement is a direct result of acquisition or other event  
19 as the displacing agency shall prescribe.

20 B. The payment in Subsection A of this section  
21 shall consist of the amount necessary to enable the displaced  
22 person to lease or rent for a period not to exceed forty-two  
23 months a comparable replacement dwelling, but at no time  
24 shall this payment exceed seven thousand two hundred dollars  
25 (\$7,200). At the discretion of the displacing agency, a

1 payment under this subsection may be made in periodic  
2 installments. Computation of a payment under this subsection  
3 to a low-income displaced person for a comparable replacement  
4 dwelling shall take into account that person's income.

5 C. Any person eligible for a payment under  
6 Subsection A of this section may elect to apply the payment  
7 to a down payment on, and other incidental expenses pursuant  
8 to, the purchase of a comparable replacement dwelling. That  
9 person may, at the discretion of the displacing agency, be  
10 eligible under this subsection for the maximum payment  
11 allowed under Subsection B of this section, except that, in  
12 the case of a displaced homeowner who has owned and occupied  
13 the displacement dwelling for at least ninety days  
14 immediately prior to the initiation of negotiations for the  
15 acquisition of the dwelling, this payment shall not exceed  
16 the payment the person would otherwise have received under  
17 Subsection A of Section 42-3-6 NMSA 1978 had the person owned  
18 and occupied the displacement dwelling ninety days  
19 immediately prior to the initiation of such negotiations."

20 SECTION 4. EMERGENCY.--It is necessary for the public  
21 peace, health and safety that this act take effect  
22 immediately. \_\_\_\_\_