

FISCAL IMPACT REPORT

General Information:

(Check) Bill: _____ Resolution: x

Short Title(s): Authorizing Foreclosure of Certain Municipal Liens

Sponsor(s): Mayor Alan Webber and Councilor Jamie Cassutt

Reviewing Department(s): City Attorney's Office

Staff Completing FIR: Frank E. Ruybalid, Assistant City Attorney Date: _____

Phone: (505)-955-6967

Reviewed by City Attorney: *Erin McSherry* Date: 08/22/2025
Erin McSherry (Aug 22, 2025 14:11:37 MDT)

Reviewed by Finance Director: *Emily K. Oster* Date: 08/22/2025

Summary:

The proposed resolution provides that the City of Santa Fe's ("City") City Attorney's Office may initiate the foreclosure proceedings on properties with outstanding municipal utility liens. The liens would generally be prioritized the following way:

- 1. Properties with outstanding utility liens that exceed \$10,000;
- 2. Properties with utility liens that exceed \$5,000 and meet one or more of the following conditions:
 - a. property taxes are three or more years delinquent;
 - b. the property appears abandoned;
 - c. there are signs of deterioration or chronic lack of maintenance;
 - d. there is physical evidence of utility disconnection, or utilities have been disconnected for one year or more, as confirmed by the City Utilities Department
 - e. the property has a revoked certificate of occupancy;
 - f. the property has been deemed unsafe by the Santa Fe Fire Department; or
 - g. the property possesses other nuisance qualities that may threaten public health and safety.

Further, the resolution calls on the City Manager to communicate with the Santa Fe County Manager to staff to identify properties within the City with delinquent property taxes so that the County can fulfil its statutory duties pertaining to delinquent tax liens and foreclosures.

Departments Affected:

City Attorney's Office.

Consequences of Not Enacting Legislation:

If this legislation is not adopted, then the City Attorney's Office would not have policy direction regarding a framework for initiating foreclosure proceedings on properties with outstanding municipal utility liens and would need to address foreclosures on the liens on a case-by-case basis.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

None at this time.

Performance and Administrative Implications:

Within the City, cooperation with the City Attorney's Office or contractor will be needed by Utility Billing, Code Enforcement, Constituent Services, Fire Department, Building Inspection and the City Clerk's Office. The City Attorney's Office could contract with an outside attorney to file lien foreclosures. Cooperation with the County Attorney and County Treasurer will be helpful, but not critical, to success of this strategy. Most helpful will be foreclosure by N.M. Tax & Revenue Department for delinquent taxes, saving the City the foreclosure costs. The City can initiate foreclosure by private auction service if necessary.

Fiscal Implications:

Because foreclosures allow for attorney's fees recovery, the net impact of this initiative should be low. Foreclosures require some expensed for Notices by Publication in local newspaper and/or fees for private process server or investigator to locate off-site and absentee property owners.

Fiscal Impact

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 2025	FYE 2026	FYE 2027	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
Personnel and Benefits*	\$ unknown*	\$ _____	\$ _____	_____	_____	_____	
Capital Outlay	\$ _____	\$ _____	\$ _____	_____	_____	_____	
Contractual/ Professional Services	\$ _____	\$ _____	\$ _____				
Operating	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
Total:	\$ _____	\$ _____	\$ _____				\$ _____

Expenditure Narrative:

*Costs for Notices by Publication in local newspaper, or fees for private process server or investigator to locate off-site property owners.

Revenue

Revenue Type	FYE 2025	FYE 2026	FYE 2027	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ unknown*	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

The properties are delinquent on payment for thousands of dollars in water use, sewer and trash services. Lien and foreclosure will result in collection of arrearages through forced sale of property and collection of liened amounts. In addition, if the City incurs costs for nuisance abatement, such as for hauling junk vehicles and debris, or demolition, those costs can be recouped. The foreclosure statute allows the City to collect attorney's fees incurred in the preparation and litigation of the case.

Signature:

Email: