



Land Banking in New Mexico

Memorandum

TO: Jaden Welch, Engineering Director, City of Raton, New Mexico
FROM: Matt Kreis, General Counsel, Center for Community Progress
DATE: September 15, 2026
RE: Land Banking in New Mexico

This memorandum summarizes the Center for Community Progress' recent scholarship engagement with the City of Raton, New Mexico, and stakeholders from across the state to explore statewide legislative solutions to address vacant, abandoned, and deteriorated (VAD) properties, including brownfield properties – a subset of VAD properties where actual or potential contamination makes redevelopment challenging and costly. It also provides recommendations for Raton and its partners to consider as they seek to address VAD and brownfield properties and contemplate legislative reform in 2027 and beyond.

Background and Framing

In late 2025, Community Progress competitively selected the City of Raton to receive a Technical Assistance Scholarship on Land Bank Approaches to Brownfield Revitalization made possible by a US Environmental Protection Agency (EPA) grant. The focus of the engagement was to work with a group of statewide stakeholders to explore and build support for potential legislative options to advance land banking in New Mexico as a tool to address VAD and brownfield properties.

This scholarship was an exciting opportunity to build off a previous engagement between Community Progress and the City in 2023 that provided observations and recommendations for how to address VAD properties across the city.¹ This work also built on lessons from a 2019 engagement between Community Progress and local officials in Albuquerque, New Mexico to explore approaches to addressing VAD properties.² Each report identified existing tools—such as housing and building code enforcement and delinquent property tax enforcement—that Raton and Albuquerque could use to address VAD properties and move them towards equitable, efficient, and effective reuse. The reports also sought to address the question of whether a land bank might help each community acquire and reuse VAD property in a way aligned with community needs. This memorandum adds to the observations and recommendations outlined in prior reports, with added consideration given to the potential of these tools to address brownfield properties.

¹ Sara Toering, Kim Graziani, and Matt Kreis, *Transforming Raton's Abandoned Properties into Community Assets* (Center for Community Progress, 2023), <https://communityprogress.org/wp-content/uploads/2023/08/2023-06-raton-new-mexico-vacant-properties-report.pdf>. Also included for ease of reference as “Appendix A.”

² See Kim Graziani and Sara Toering, *Land Banking in Albuquerque: Feasibility, Efficacy, and Relationship to Existing Tools for Vacant, Abandoned, and Substandard Properties* (Center for Community Progress, 2019), <https://communityprogress.org/wp-content/uploads/2021/08/2019-04-Land-Banking-in-Albuquerque-TA-Report.pdf>. Also included for ease of reference as “Appendix B.”

Approach

Community Progress' goal was to build support for potential legislative options addressing VAD and brownfield properties and advancing land banking in New Mexico. To that end, we:

- Participated in regular calls with a core stakeholder group led by Raton city officials, including representatives from the New Mexico Municipal League, two New Mexico Councils of Government, and the New Mexico Taxation and Revenue Department (Tax and Rev) and the New Mexico Environment Department (Environment Department).
- Interviewed New Mexico local government officials, including city code enforcement staff and county officials, to understand the challenges municipalities face with VAD properties and the overlap between code enforcement and delinquent tax enforcement.
- Reviewed state law related to delinquent property tax enforcement and housing and building code lien enforcement.
- Hosted a convening in Albuquerque for municipal officials from across the state, along with state, regional, and private partners working on VAD properties.³
- Presented to County Managers and County Attorneys at the annual County Conference in Gallup, outlining the need for stronger tools to address VAD properties and exploring potential County roles.

Key Takeaways

Based on our stakeholder engagements, research into local and state policy, and experience working in New Mexico and communities across the country, we offer the following high-level takeaways:

1. **Building capacity and understanding of VAD property challenges, including challenges specific to brownfield properties, should be prioritized over the next 12 months.** Our engagement proved that there is strong interest and momentum across New Mexico to expand and adopt new tools for addressing VAD properties, including brownfield properties. One of the most impactful steps stakeholders can take now is building the capacity, partnerships, and coordination needed to better understand VAD and brownfield properties—starting with improving data collection, mapping, and analysis locally and potentially regionally.
2. **Explore a regional solution to capacity building.** Building regional capacity is a common strategy for economic and community development in rural and resource-strained areas. New Mexico's seven councils of government offer a natural platform for building the expertise and capacity local governments and counties need to tackle VAD properties in general, and brownfield properties in particular. A critical first step is closing the gap in data and information about the nature, scale, and local impact of these properties.

³ A copy of the PowerPoint presentation is attached to this as Exhibit A.

3. **New Mexico needs policy reforms to make land banking a more effective tool to address VAD and brownfield properties.** These include reforms to the state’s delinquent property tax enforcement statute.⁴ Because these legislative reforms require significant coalition-building, capacity, and resources, the 2027 legislative session is likely not a realistic timeline unless substantial resources are committed to build that coalition. Fortunately, there are near- and mid-term actions possible with existing tools. For example, we have proposed a pilot land banking program in Albuquerque and Raton built on the power to foreclose on code enforcement liens.
4. **The state must commit resources to addressing VAD properties.** Every state with an effective strategy to address VAD properties—including those with land banks—has allocated some initial or recurring funding for operations, programs, and capital projects. New Mexico will need to do the same if it hopes to build the capacity and expertise to leverage VAD properties for affordable housing and other priorities that support safe, resilient, and vibrant neighborhoods. Similarly, given the State’s central role in delinquent property tax enforcement, any future efforts land bank or land banking programs in New Mexico must also involve the State.⁵

We are honored and inspired by the stakeholders we met during this engagement, and are encouraged that New Mexico stakeholders are working together to enhance the tools available to address VAD and brownfield properties. The remainder of this memorandum summarizes our key findings and offers recommended next steps consistent with the takeaways above. We appreciate the opportunity to contribute an outside perspective to this conversation, but encourage stakeholders to consult local attorneys before relying on the observations or recommendations herein.

⁴ See N.M.S.A § 7-38-1 *et seq.*

⁵ A “land bank” is an entity that has special powers granted by state-enabling legislation to acquire, maintain, and dispose of vacant property in support of local needs. A “land banking program” is a program created within an existing public entity (e.g., local government, state) that performs similar functions but is limited only to those powers currently available to the entity in which the program sits. Special powers may include direct connections to the delinquent property tax enforcement system and expanded flexibility to dispose of property for any type of consideration (including non-monetary).

Solving Challenges for New Mexico Communities



123 Raton Street

Ownership	Out-of-State Defunct LLC
Fair Market Value	\$5,000
Delinquent Taxes Owed (10+ years)	\$3,000
Municipal Code Liens for Boarding, Mowing, Tree Removal	\$9,000
Delinquent Mortgage 1	\$25,000
Delinquent Mortgage 2 (Unpaid HELOC)	\$10,000
Total Public Debt	\$12,000
Total Private Debt	\$35,000
Fair Market Value – Debt =	-\$42,000

Stakeholders described a range of vacancy challenges in their communities, including derelict or boarded-up residential and commercial properties that have sat vacant for years, accumulating public and private debt (e.g., unpaid code enforcement liens, unpaid taxes, defaulted mortgages). Some of these properties are brownfields that require Phase I and II environmental site assessments before redevelopment can occur. Scattered but pervasive vacant lots were most often concentrated in higher-density residential areas or near small downtowns where local economic development professionals are trying to attract new investment. These patterns align with our previous findings in Raton and Albuquerque and likely reflect decades of industrial and population loss.

One key challenge is that data collection methods vary across jurisdictions, and property condition data is inconsistently captured or tracked.

While we do not know the scale of VAD properties at the local level in many places, we do know that

tax delinquency—a strong indicator of decline or future vacancy—is significant across the state. The New Mexico Taxation and Revenue Department (Tax and Rev), which initiates tax foreclosures on properties after three years of delinquency, manages an inventory of more than 150,000 tax-delinquent properties eligible for tax foreclosure.⁶ With limited capacity, Tax and Rev must make difficult decisions on how to triage this substantial inventory, and only a fraction of those 150,000 go to sale every year.⁷ That said, Tax and Rev has built a decent internal dashboard to analyze and sort this inventory, and has expressed openness to exploring how this tool could have greater impact for local communities seeking to address or acquire VAD properties.

When addressing VAD properties, communities most often cited two challenges:

- A lack of public resources (e.g., limited demolition funding, small or nonexistent code enforcement staff) to mitigate the harm these properties cause, let alone

⁶ See our summary and outsider's interpretation of New Mexico's delinquent property tax enforcement system in our Raton report, pp. 7-10, and in our Albuquerque report, pp. 27-30. A sizable portion of the State's inventory of tax-delinquent properties are referred to as "charettes." This term describes land incorporated more than 40 or 50 years ago just outside certain towns or cities and sold to investors. No infrastructure was ever built to service these parcels and no development has or is likely to happen anytime soon.

⁷ Based on conversations with a range of officials with Tax and Rev, county, and local government officials.

complete the testing and remediation required to return brownfield properties to productive use, and

- An inability to steer these properties towards reuses that align with community goals, such as housing and downtown economic development.

Despite these challenges, our virtual and in-person conversations revealed opportunities for local (e.g., Raton, Albuquerque), regional (e.g., Northwest New Mexico Council of Governments, North Central New Mexico Economic Development District), state government (e.g., Tax and Rev, Finance and Administration Departments), and statewide organizations (e.g., New Mexico Municipal League) to work together and tackle these challenges head-on.

Recommendations

While much of our work in New Mexico has focused on the broader suite of tools to address VAD properties, the most common and specific question from our New Mexico partners has been: Could state land bank enabling legislation give New Mexico communities a useful tool to address and reactivate VAD properties, including brownfield properties?

Our answer remains consistent with our findings since 2019: **A land bank in New Mexico *could* be a useful tool to address and reactivate VAD properties, including brownfield properties, but we believe it requires the following to *succeed*:**

- **Clear leadership** is needed to bring stakeholders together and harness their collective efforts to seek funding and policy change to address VAD properties.
- **Stronger data collection and analysis** to assess the nature and scale of the VAD properties a land bank would address to help inform the necessary design, capacity, and funding. A regional data platform could also serve as a foundation for communities to conduct more robust local analyses, such as parcel condition surveys or brownfield inventories.
- **Reform to the State's delinquent property tax enforcement system** to create a more predictable, consistent acquisition pipeline of tax-delinquent VAD properties for acquisition.
- **A stronger understanding of existing powers, capacity, and resources of New Mexico's governmental partners** at the state, regional, and local levels. This will be critical to determining whether an existing entity could serve as a land bank, or whether a new entity is needed.

Ultimately, a land bank could be a powerful tool to help address VAD and brownfield properties in many New Mexico communities. We encourage stakeholders to explore the steps below before pursuing land bank enabling legislation.

1. Establish a statewide coalition, with a clear designated lead entity, to coordinate this work. (Now)

One item was clear from all our conversations: There is momentum now to continue statewide efforts to broaden the tools for New Mexico communities addressing VAD and brownfield properties. Our engagement brought together an extraordinary group of public

servants from all levels of government and beyond. These stakeholders bring varied perspectives on the harm VAD properties cause across New Mexico, and on the challenges of addressing that harm with existing tools and resources. This group should form the foundation of a new coalition.

We recommend the coalition focus on three key priority actions:

- Building local and regional capacity to collect, share, and disseminate VAD property data to better design and fund the appropriate interventions and programs.
- Building support to reform the pipeline of VAD properties that could support local reuse priorities, with a focus on reforming the delinquent property tax enforcement system.
- Identifying an existing entity that could serve as a land bank, or, if none exists, building statewide support to pass enabling legislation that allows jurisdictions to create a land bank.

The remaining recommendations offer suggestions for how the coalition might implement each of these actions.

In addition to the existing stakeholders, the coalition should include a mix of local, regional, and state officials, as well as key nonprofit and association partners already engaged in addressing VAD properties. The coalition should appoint one lead partner to schedule meetings, develop agendas, and measure progress towards coalition goals. While we defer to New Mexico partners on who is best equipped to lead this effort, a few observations may help inform this decision:

- **The state of New Mexico**, which could include the Department of Finance and Administration, Local Government Division (LGD), given their stated mission to “strengthen [local government’s] ability to better serve New Mexico communities to improve their quality of life.”
- **The Councils of Government**, given their expertise in multi-jurisdictional collaboration and close relationship with counties—critical partners given counties’ role in property tax assessment and billing.
- **The New Mexico Municipal League**, given its knowledge of local governments’ needs and priorities—local governments feel the impact of VAD properties most acutely, aside from neighbors themselves—and its focus on advancing legislative reform.

Several statewide coalitions offer useful models, but we would particularly highlight the St. Louis Vacancy Collaborative,⁸ which has done incredible work bringing attention to VAD property challenges and advocating in the city of St. Louis, Missouri, for new resources, tools, and cross-sector coordination.

⁸ St. Louis Vacancy Collaborative, <https://www.stlvacancy.com/>.

2. Create a pilot program to fund enhanced data collection, sharing, and analysis. (0-3 years)

Conversations throughout this engagement revealed strong interest in new tools and resources to address VAD properties, including a land bank. It was equally clear, however, that most communities lack a strong sense of the scale of the problem or its impact on their community.⁹ More data is needed to illustrate how VAD properties affect New Mexico communities and to convince stakeholders at all levels of government that reform and new resources are a priority.

The coalition should consider launching a pilot program to competitively select and support up to four councils of government (COGs) interested in building the capacity to help communities in their service area more effectively identify and tackle VAD properties.

The state of New Mexico, particularly the Local Government Division of the New Mexico Department of Finance and Administration, could be a strong manager for this pilot given the reason highlighted previously in this section. A possible grant program could be funded at \$1 million per year, split among the selected COGs, and authorizing it for a minimum of three years to give selected COGs time to build a solid foundation of data collection, analysis, and technical assistance for local government partners.

Program activities could include:

- **Building local data collection and sharing capacity.** COGs could help local governments build the capacity and infrastructure to collect and share VAD property data both to demonstrate the scale of the problem and the public costs associated with addressing it. Priority data points include the number of vacant properties (residential vs. commercial), code enforcement actions, code enforcement compliance rates, nuisance abatement actions, and abatement costs. Pages 6-7 of the Raton report illustrate ways local governments can collect this data and use it to build momentum for policy change or funding. If available, COGs can also draw on land use data to estimate the number of brownfield properties within a community's larger VAD inventory.

If resources allow, COGs could also work with their local government partners to conduct “windshield surveys”—driving or walking inspections that document property conditions across a neighborhood or community. Repeated over time, these surveys can help track property condition trends.¹⁰

- **Building a regional data platform.** COGs are well positioned to build an accessible data platform through their relationships with local partners (e.g., code enforcement data), state partners (e.g., Tax and Rev), and other entities to collect publicly available parcel data (e.g., utility shutoffs, USPS vacancy data). A regional data platform will help

⁹ See prior Community Progress recommendations for how Raton might assess and share the impact of VAD property at *Transforming Raton's Abandoned Properties into Community Assets*, pp. 6-7.

¹⁰ See *Land Banking in Albuquerque*, pp. 17-26, and *Transforming Raton's Abandoned Properties into Community Assets*, pp. 8-10. Also note that our prior recommendations to consider “amending the NMSA § 3-36-1 et seq. to clarify municipal liens for demolition and other public investment in vacant, abandoned, and deteriorated properties are not subject to four-year statutes of limitations as described in *Hurley v. Vill. Of Ruidoso*, 139 N.M. 306, 131 (N.M. Ct. App. 2006).”

stakeholders better assess and analyze VAD properties across all or part of a COG's region.

The work of the North Central New Mexico Economic Development District (NCNMEDD)—undertaken in response to conversations during this engagement—offers a useful model.¹¹ Working with local governments in Las Vegas and Springer, NCNMEDD staff collected water utility data to identify potential vacant and problem properties. Tax and Rev leadership has offered to share tax delinquency data for these jurisdictions as an additional data layer on the map, and local code enforcement data, windshield survey findings, and historical property use data indicating the potential presence of contamination could be layered in as well. Taken together, this data paints a more dynamic picture of the scope of VAD challenges in these two communities.¹²

- **Providing technical assistance.** As COGs build this expertise, they could also retain or partner with local, statewide, or national experts to provide limited direct technical assistance to local governments seeking to better deploy existing tools to address or acquire VAD properties in support of housing and other local goals.

Of note, since nearly half of all New Mexico residents live in communities with populations under 20,000. The State will need to be a key funder of this network of expert practitioners who can identify, assess, and leverage VAD and brownfield properties for affordable housing and other local priorities. *Building this network will be difficult without the State's partnership and financial support.*

3. Pursue state legislative reform, including reform to the delinquent property tax enforcement system, to enable more efficient and effective acquisition and reuse of VAD property. (1-3 years)

On a parallel track, the coalition should continue building attention around the need for reform to key government systems, notably the delinquent property tax enforcement system. This reform is critical to helping local governments and their partners acquire VAD and brownfield properties for local reuse needs. While land banking has captured attention statewide, the coalition should also make the case that a land bank may not be an effective tool without a predictable pipeline of vacant properties to support its activities.

Our previous work identified two potential pipelines to support a land bank:

- **Code enforcement lien foreclosure.** In the short term, local governments can abate dangerous conditions at VAD properties, file a high-priority lien for the costs (which gives a city priority over other lienholders), and foreclose on that lien to compel the sale or transfer of the property. In our most recent engagement, Albuquerque, Raton, and other municipalities indicated that this acquisition path may be viable in limited,

¹¹ "North Central New Mexico Economic Development District (NCNMEDD)," Santa Fe County, New Mexico, (website), <https://www.santafecountynm.gov/committees/north-central-new-mexico-economic-development-district->.

¹² See more about the parcel condition survey conducted in Toledo, Ohio in "The Toledo Survey," Lucas County Land Bank, (website), <https://lucascountylandbank.org/programs/the-toledo-survey>. See also how such strong data collection in places like Toledo can lead to the creation of tools like the new "Public Land Opportunities" dashboard: <https://experience.arcgis.com/experience/eacc66bcdca54a1bbcb070aea9c1f397>.

strategic circumstances. However, the cost, timeline, and uncertainty over whether the local government would be the high bidder at auction limits the tool's usefulness, and does not create the kind of consistent pipeline that would, for example, justify creating a new land bank. Our Albuquerque and Raton reports discuss how enhanced code enforcement is critical to addressing VAD properties, and how code lien foreclosure could support a local land banking program.¹³

- **Delinquent property tax enforcement reform.** We recommend the coalition focus first on reforming the state's delinquent property tax enforcement system. A summary of New Mexico's tax sale system (which the author of this memorandum reviewed and believes is still accurate) appears in the Albuquerque report, pp. 27-28.

New Mexico's tax sale system has important limitations.¹⁴ As noted in our Albuquerque report, "[m]ost critically, the enforcement of delinquent property taxes (tax liens) through a tax sale does not extinguish junior debt (e.g., previous years of back taxes or mortgages), therefore is ineffective for VAD properties, which are usually underwater in value and encumbered by junior debt that is higher than the value of the property."¹⁵

This means title acquired at Tax and Rev tax sales is often unclear or uninsurable, making it nearly impossible to secure acquisition or rehab financing until a time-intensive and sometimes costly action to quiet title is completed. Compounding this, the low cost of properties at tax sale attracts significant speculative interest, including from out-of-state investors. Finally, there is no clear point at which local government or other public actors can intervene or have special authority to acquire tax-delinquent properties that fail to attract bids at these tax sales.

In short, the inventory of tax-delinquent VAD properties likely causing the most harm to New Mexico communities is often the hardest to access.

While much more work is needed to identify the full range of reforms to New Mexico's statutes, including the delinquent property tax enforcement statutes, we elevate and slightly expand on those reforms identified in our 2023 Raton report for stakeholder or coalition consideration:

- Explore amending NMSA § 7-38-1 et seq. to ensure the delinquent property tax enforcement process extinguishes all liens junior to New Mexico property taxes including, for example, amendments to NMSA § 7-38-70(B).
- If amendments extinguishing junior liens for all properties in the delinquent tax enforcement process are untenable, explore amending NMSA § 7-38-1 et seq.

¹³ See *Land Banking in Albuquerque*, pp. 17-26, and *Transforming Raton's Abandoned Properties into Community Assets*, pp. 8-10. Also note that our prior recommendations to consider "amending the NMSA § 3-36-1 et seq. to clarify municipal liens for demolition and other public investment in vacant, abandoned, and deteriorated properties are not subject to four-year statutes of limitations as described in *Hurley v. Vill. Of Ruidoso*, 139 N.M. 306, 131 (N.M. Ct. App. 2006)."

¹⁴ See *Land Banking in Albuquerque*, pp. 27-30, and *Transforming Raton's Abandoned Properties into Community Assets*, pp. 7-10.

¹⁵ "NMSA § 7-38-70(B)("[The tax] deed conveys all of the former property owner's interest in the real property as of the date the state's lien for real property taxes arose in accordance with the Property Tax Code, subject only to perfected interests in the real property existing before the date the property tax lien arose.") (emphasis added).

to ensure the delinquent property tax enforcement process extinguishes all liens junior to New Mexico property taxes for property certified as abandoned. Expand the definition of “abandoned” in NMSA § 7-35-2 and related statutes to include single parcels of vacant land or parcels with dilapidated improvements that are unoccupied and reflect multiple years of property tax delinquency, or that are also subject to municipal liens for demolition and other such remediation costs.

- iii. Explore amending NMSA § 7-38-1 et seq. to ensure unpaid municipal liens created pursuant to NMSA § 3-36-1 et seq. may be enforced and collected in conjunction with delinquent property taxes, and that such enforcement process extinguishes all junior liens, subject to any applicable rights of redemption in accordance with NMSA § 3-36-6 and related statutes.

Explore amending NMSA § 7-38-1 et seq. to create an alternative procedure for foreclosure of delinquent property taxes and municipal liens *in rem*,¹⁶ mirroring portions of the municipal lien *in rem* enforcement statute (e.g., NMSA § 3-36-6).

- iv. Explore the impact NMSA § 7-38-70, which provides a limited path for former owners to challenge the tax sale conveyance for up to two years post sale, may have on the ability to secure title insurance post-tax sale and, if allowed by existing federal or state law, make amendments to address any such impacts.

Explore amending NMSA § 7-38-1 et seq. to authorize local government entities and nonprofit entities to acquire vacant properties at the state’s tax sale for a credit bid,¹⁷ and in the absence of any third-party bidders award the deed to the local government or nonprofit entity. Amendments could also include the ability for such entities to request the state include properties in the next tax sale.

These changes would be a powerful tool for moving VAD and brownfield properties to new owners and could make the value of a land bank in many New Mexico communities much clearer. Further work with local legal counsel is needed to explore these reforms, but they offer a solid starting point.

Given the significant scope of these proposed reforms, it may also be worth exploring a modest, near-term change with limited but meaningful impact: **Consider focusing solely on “i. Explore amending NMSA § 7-38-1,”** and analyze the State’s existing inventory in one or two key locations (e.g., Raton) to identify parcels that could be acquired and reused to support local priorities. These parcels would still be subject to the limitations of the existing acquisition system, however, and likely require costly legal action to clear title.

¹⁶ When properly designed, judicial *in rem* foreclosure is an optimal mechanism to foreclose on the tax lien. It focuses on imposing liability against the tax-delinquent property, not the owner, with judicial oversight, and requires the foreclosing party to provide mailed notice to the owner and other interested parties that meets the minimum standards for due process required by the US and state constitutions. Ultimately, it results in a sale or transfer of the property that gives the new owner insurable title. For more information on judicial *in rem* foreclosure and other reforms to delinquent property tax enforcement processes, see *Reimagine Delinquent Property Tax Enforcement* (Center for Community Progress, 2022), <https://communityprogress.org/publications/reimagine-delinquent-property-tax-enforcement>.

¹⁷ A “credit bid” is when the local government’s bid is for the amount of unpaid taxes but no money changes hands. The tax collector accepts the bid on “credit” in recognition that the local government is already owed some portion of those taxes and it will work to get the property back on the tax roll.

4. Commission research to understand the powers, capacity, and resources of New Mexico state, regional, and local government partners to assess whether an existing or new entity should serve as a land bank. (1-3 years)

The coalition should continue working to identify the type of land bank or land banking program that could best support New Mexico communities. But without a clearer understanding of the scale of VAD properties a land bank would address, or clarity on how it would acquire property, there is limited value in new legislation to create a new entity.

We strongly encourage the coalition and other stakeholders exploring whether a land bank could be an effective tool to consider the following questions.

Could existing New Mexico law allow stakeholders to create an entity that mimics many land bank powers?

As the coalition works to enhance VAD and brownfield property data collection and analysis, and unlock the pipeline needed to justify a land bank, it could also commission a local attorney or other entity to research whether existing public or quasi-governmental entities formed pursuant to intergovernmental agreements could replicate key land banking powers (see following table). For example, could an entity formed under NMSA § 11-1-1 *et seq.* acquire tax-delinquent or other land, and dispose of it more flexibly and nimbly (e.g., for any amount or type of consideration) than local governments currently can? Answering this and related questions is critical to determining whether new land bank enabling legislation is necessary.

SPECIAL LAND BANK POWERS

- Collaborate regionally and inter-governmentally
- Acquire property through various mechanisms, including public lien foreclosure
- Clear title and extinguish delinquent taxes
- Hold property tax-exempt
- Establish and uphold maintenance standards
- Dispose or transfer ownership according to local priorities
- Negotiate sales (avoid auctions and bureaucracy)
- Convey property for value other than monetary consideration

At what level of government should land banks exist in New Mexico?

Based on our recent engagement, we believe few New Mexico communities have the capacity to staff, fund, and stand up an independent land bank. For that reason, if state land banking legislation is pursued, it is worth exploring how the enabling legislation could allow for local land banks, regional land banks, **and/or** perhaps a land bank at the state level. Regional and statewide land banks may be used to supplement capacity in lower resourced or more rural communities, and secure funding and oversee complex multi-year projects, such as assessment, remediation, and reuse of brownfield properties. Operating at a more removed level from the local government will still *require* strong community engagement at the local level for a land bank or land banking program to be successful. Ensuring such an entity has the ability to help identify and support local efforts to inform and drive investment is critical.

The Connecticut Brownfield Land Bank, serving the Naugatuck Valley region, and the West Virginia Land Stewardship Corporation, serving the state of West Virginia, are two examples of land banks that supplement local communities' capacity to address brownfield sites.

Jurisdiction	Service Area	Key Benefits	Relevant Examples
Municipal land banks	Single municipality or county	Connect with community partners and residents to assess local needs and priorities of reuse	Macon-Bibb Land Bank Authority (GA), Peoria Land Bank Authority (IL)
Regional land banks	Multiple municipalities or counties	Provide land banking capacity across lower resourced or more rural communities Share staff with other regional entities, like COGs or regional planning entities	Mohawk Valley (NY) Land Bank or the Northern Illinois Land Bank Authority, Connecticut Brownfield Land Bank (managed by staff at the Naugatuck Valley Council of Governments)
State land banks¹⁸	Entire state, or communities not already served by a municipal or regional land bank	Provide capacity to local or regional land banks, or might also be able to act as a land bank to those more rural areas	Michigan State Land Bank Fast Track Authority, West Virginia Land Stewardship Corporation

Where will initial funding come from?

A popular myth is that land banks can be “self-sustaining.” In most communities that create them, this simply is not true.

Where we have seen the most success funding land bank start-ups, that funding has come directly from state governments. New York and Ohio, for example, show how dedicated state funding can drive significant impacts. In New York, newly created land banks can apply for a multi-year capacity-building grant (generally about \$300,000). Every land bank (there are now 31) can also apply for an annual operating grant, with awards based on the land bank's budget and capped at \$200,000. These operating grants are flexible, covering costs like staff expenses, legal and financial services, marketing, communications, and IT and GIS systems.

If coalition stakeholders determine, after this analysis, that state enabling land bank legislation is necessary to address New Mexico's vacancy challenge, we strongly encourage reviewing sample state enabling legislation as a starting point.¹⁹ This model legislation has informed much of the state legislation used across the national field of practice, though it would need to be modified to fit New Mexico's legal framework and systems. Community Progress would welcome the opportunity to continue as a partner in this and any of the other activities recommended in this memorandum.

¹⁸ In New Mexico, the idea of a state-level land bank is compelling, in part, because of the state's direct ties to the delinquent property tax enforcement system.

¹⁹ See, for example, Appendix C of Albuquerque report (2019), available at: <https://communityprogress.org/publications/land-banking-in-albuquerque/>.