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SPONSORED BY: Isaac Benton

AMENDING THE ZONING CODE TO REGULATE SMALL LOAN BUSINESSES

WHEREAS, according to the New Mexico Regulation and Licensing Department, in 2012, consumers in New Mexico were charged \$99 million in interest and fees on small loans with an annual percentage rate of 175% and higher – the majority of which was collected by out of state companies; and

WHEREAS, a study by the Southwest Center for Economic Integrity out of Tucson, Arizona, found that approximately \$20 million dollars in fees were being extracted annually by payday lending businesses from residents in Pima County, Arizona – largely in the same redevelopment neighborhoods where local governments had invested approximately \$8 million in redevelopment funds; and

WHEREAS, clustering of small loan establishments tend to not only serve as an indicator of economic distress within a community, but also as an exacerbating factor in that distress; and

WHEREAS, the prevalence of small lending businesses in low to moderate income areas, and specifically within the center city and Central Avenue

1 Corridor, corresponds with much of the City's redevelopment investment
2 areas and is contradictory to the intent of those investments; and

3 WHEREAS, the City Council finds that imposing land use restrictions on
4 small lending businesses to help prevent clustering will help reduce their
5 prevalence and expansion in low to moderate income communities and will
6 help promote the health, safety, and welfare of those communities and the
7 City's redevelopment objectives for those areas.

8 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
9 ALBUQUERQUE:

10 SECTION 1. Section 14-16-3-24 is hereby added to the Zoning Code as
11 follows:

12 "[§ 14-16-3-24 SMALL LENDERS.

13 (A) In addition to any other requirements of the zoning code, in any zone
14 where they are permitted, small lending businesses shall be separated from
15 one another by at least 1,500 feet as measured from property line to property
16 line for the parcels on which the small lending business is located.

17 (B) For purposes of this section, a small lending business is any
18 business licensed under the New Mexico Small Loan Business Act, NMSA
19 1978 § 58-15-1 through 58-15-39.]"

20 SECTION 2. SEVERABILITY CLAUSE. If any section, paragraph, sentence,
21 clause, word or phrase of this Ordinance is for any reason held to be invalid or
22 unenforceable by any court of competent jurisdiction, such decision shall not
23 affect the validity of the remaining provisions of this Ordinance. The Council
24 hereby declares that it would have passed this Ordinance and each section,
25 paragraph, sentence, clause, word or phrase thereof irrespective of any
26 provision being declared unconstitutional or otherwise invalid.

27 SECTION 3. COMPILATION. This Ordinance shall amend, be incorporated
28 in and made part of the Revised Ordinances of Albuquerque, New Mexico,
29 1994.

30 SECTION 4. EFFECTIVE DATE. This Ordinance shall take effect five days
31 after publication by title and general summary.