

SUPREME COURT OF NEW MEXICO

State ex rel. Public Employees Retirement Association v. Longacre

133 N.M. 20 (N.M. 2002) · No. No. 27,135 · Decided November 19, 2002

SUMMARY

The Supreme Court of New Mexico held that NMSA 1978, § 10-11-4.2(A), which limits recovery of retirement-benefit overpayments to those made within one year before discovery, is constitutional. The court characterized the provision as a statute of repose rather than a legislative forgiveness or diminishment of an obligation owed to the state under Article IV, Section 32 of the New Mexico Constitution. The court reversed the Court of Appeals and remanded for further proceedings.

CASE DETAILS

COURT	Supreme Court of New Mexico
WRITING FOR THE COURT	Justice Kennedy; Patricio M. Serna, Chief Justice; Gene E. Franchini, Justice; Pamela B. Minzner, Justice; Petra Jimenez Maes, Justice
JURISDICTION	New Mexico
DECIDED	November 19, 2002
DOCKET	No. 27,135
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Lawrence Longacre appealed the Court of Appeals' decision declaring NMSA 1978, Section 10-11-4.2(A) unconstitutional. The Supreme Court reviewed the constitutional issue de novo.
STANDARD OF REVIEW	De novo review applies when there are no disputed material facts. Constitutional challenges to statutes are reviewed with a presumption of constitutionality, and a statute must be upheld unless the court is satisfied beyond a reasonable doubt that the Legislature exceeded constitutional limits.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Lawrence Longacre v. State of New Mexico, ex rel. Public Employees Retirement Association

TOPICS

constitutional law

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PRACTICE AREAS

constitutional law

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remedies

QUESTIONS PRESENTED

1. Whether NMSA 1978, Section 10-11-4.2(A), which limits PERA's recovery of overpayments to those made during the year preceding discovery of the error or omission, violates Article IV, Section 32 of the New Mexico Constitution.
2. Whether Section 10-11-4.2(A) is a constitutional statute of repose rather than an unconstitutional legislative release or diminution of a liability owed to the state.

HOLDINGS

1. Section 10-11-4.2(A) is constitutional because it bars the remedy of recovering certain overpayments after the statutory period but does not release, diminish, or extinguish the underlying obligation or liability owed to the state.
2. A statute must be analyzed under Article IV, Section 32 from the point at which it releases or diminishes a fixed liability or obligation, not merely from the statute's enactment date.
3. Section 10-11-4.2(A) is a statute of repose that begins to run when each overpayment is made, rather than when PERA discovers the error causing the overpayment.

KEY QUOTATIONS

“The statute is constitutional, because it acts merely to bar the remedy of recovery of overpayments made to retirement pension beneficiaries upon the expiration of one year from the date of each overpayment.” (at 509)

“We hold that Section 10-11-4.2(A) is a constitutional exercise of the legislature's power to enact a statute of repose made specifically applicable to the state or its agencies.” (at 509)

FACTUAL BACKGROUND

Maria Longacre, a PERA member married to Lawrence Longacre, elected retirement benefits under form of payment A. PERA failed to obtain Lawrence's statutorily required spousal consent, rendering the election ineffective and making Lawrence eligible for survivor benefits under form of payment C. PERA had paid Maria \$7,537.90 more than would have been payable under form C, and the PERA Board limited PERA's recovery to one year of overpayments under Section 10-11-4.2(A).

PROCEDURAL HISTORY

Longacre sought survivor retirement benefits after PERA had paid his deceased spouse benefits under an ineffective payment option without obtaining his required consent. PERA denied his claim, but the PERA Board awarded him benefits under form of payment C and limited PERA's recovery of overpayments to one year. PERA filed a declaratory-judgment action challenging Section 10-11-4.2(A); the district court granted Longacre's summary-judgment motion, and the Court of Appeals reversed, holding the statute unconstitutional. The Supreme Court reversed the Court of Appeals and remanded to the district court.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the district court for proceedings consistent with the opinion. PERA may recover overpayments made before enactment of Section 10-11-4.2(A), and Lawrence remains liable for overpayments made during the one-year period permitted by the statute, subject to determination of the applicable discovery date and the PERA Board's unappealed order.

CASES CITED

- State ex rel. Public Employees Retirement Ass'n v. Longacre, 2001-NMCA-076, 131 N.M. 156, 33 P.3d 906
- City of Albuquerque v. One (1) 1984 White Chevy Ut., 2002-NMSC-014, 132 N.M. 187, 46 P.3d 94
- Asplund v. Alarid, 29 N.M. 129, 219 P. 786 (1923)
- Ortiz v. Taxation & Revenue Department, 1998-NMCA-027, 124 N.M. 677, 954 P.2d 109
- City of Farmington v. Fawcett, 114 N.M. 537, 843 P.2d 839 (Ct. App. 1992)
- Board of Education v. McRae, 29 N.M. 85, 218 P. 346 (1923)
- State v. Montoya, 32 N.M. 314, 255 P. 634 (1927)
- Gutierrez v. Gutierrez, 99 N.M. 333, 657 P.2d 1182 (1983)
- Jones v. Burns, 138 Mont. 268, 357 P.2d 22 (1960)
- Alabama Education Ass'n v. Grayson, 382 So. 2d 501 (Ala. 1980)
- Denish v. Johnson, 1996-NMSC-005, 121 N.M. 280, 910 P.2d 914
- Cummings v. X-Ray Assocs., 1996-NMSC-035, 121 N.M. 821, 918 P.2d 1321
- Garcia ex rel. Garcia v. La Farge, 119 N.M. 532, 893 P.2d 428 (1995)
- Duncan v. Campbell, 1997-NMCA-028, 123 N.M. 181, 936 P.2d 863
- Board of Education v. Standhardt, 80 N.M. 543, 458 P.2d 795 (1969)
- State v. Estate of Crocker, 38 Ala. App. 306, 83 So. 2d 261 (1955)
- Plaatje v. Plaatje, 95 N.M. 789, 626 P.2d 1286 (1981)
- Tull v. City of Albuquerque, 120 N.M. 829, 907 P.2d 1010 (Ct. App. 1995)
- Britton v. Britton, 100 N.M. 424, 671 P.2d 1135 (1983)
- City of Carlsbad v. Grace, 1998-NMCA-144, 126 N.M. 95, 966 P.2d 1178
- Coleman v. United Engineers & Constructors, Inc., 118 N.M. 47, 878 P.2d 996 (1994)