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HOUSE BILL 997

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Janice E. Arnold-Jones

AN ACT

RELATING TO HOUSING; LIMITING THE POWER OF REGIONAL HOUSING
AUTHORITIES; PROVIDING THAT THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY SHALL TEMPORARILY ADMINISTER PROGRAMS AND ASSETS OF
THE REGIONAL HOUSING AUTHORITIES AND, AS SOON AS PRACTICABLE,
TRANSFER THOSE ASSETS TO PRIVATE OR PUBLIC HOUSING PROGRAMS;
PROVIDING FOR AN ACCOUNTING OF THE ASSETS OF THE REGIONAL
HOUSING AUTHORITIES; PROVIDING FOR THE DELAYED REPEAL OF THE
REGIONAL HOUSING LAW; MAKING APPROPRIATIONS; DECLARING AN
EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Regional Housing Law is
enacted to read:

"[NEW MATERIAL] LIMITATION ON POWERS--DUTIES OF THE NEW
MEXICO MORTGAGE FINANCE AUTHORITY RELATING TO REGIONAL HOUSING

underscoring material = new
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1 AUTHORITIES.--

2 A. On the effective date of this section, all
3 regional housing authorities and their programs, real estate,
4 contracts and other assets shall be subject to the direction,
5 administration and control of the New Mexico mortgage finance
6 authority.

7 B. On and after the effective date of this section,
8 no regional housing authority shall incur any debt, enter into
9 any agreement, acquire any property, perform any act to begin a
10 housing project or exercise any other power except as provided
11 in Subsection C of this section.

12 C. Subject to the direction, administration and
13 control of the New Mexico mortgage finance authority, a
14 regional housing authority may:

15 (1) take such actions as are necessary to
16 preserve and maintain assets;

17 (2) take such actions as are necessary to
18 protect the rights of obligees;

19 (3) assist the New Mexico mortgage finance
20 authority in transferring or liquidating contracts, real
21 property and other assets of the regional housing authority;

22 (4) continue to administer public housing
23 programs under contract with the federal government that were
24 entered into prior to the effective date of this section; and

25 (5) take such actions as are necessary to

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1 otherwise prevent the waste of money or other assets belonging
2 to the regional housing authority, the federal government, the
3 state or a political subdivision of the state."

4 Section 2. TEMPORARY PROVISION--TRANSFER OF ASSETS OF
5 REGIONAL HOUSING AUTHORITIES.--As soon as practicable, the New
6 Mexico mortgage finance authority shall transfer all real
7 estate, contracts, records and other assets of the regional
8 housing authorities to the New Mexico mortgage finance
9 authority, other governmental entities or qualified private
10 nonprofit entities. The transfers shall be subject to the
11 following criteria:

12 A. a transferee shall not be liable for the debts
13 or obligations of any regional housing authority, except to the
14 extent that the debts or obligations are associated with
15 property transferred and then only to the extent that the debts
16 or obligations can be satisfied from the income or sale of the
17 property;

18 B. all transferred real property shall continue to
19 be insured in the same manner in which it has been insured
20 against those risks that the New Mexico mortgage finance
21 authority deems advisable;

22 C. all transferred real property shall continue to
23 be exempt from levy and sale by virtue of execution, and no
24 execution or other judicial action shall be issued against the
25 property; nor shall a judgment against a transferee be a charge

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1 or lien on the transferred real property; provided that the
2 provisions of this subsection shall not apply to or limit the
3 right of an obligee to pursue any remedies for the enforcement
4 of any pledge or lien given to the obligee on rents, fees or
5 revenues;

6 D. all transferred real property is declared to be
7 public property used for essential public and governmental
8 purposes and is exempt from taxation until a deed conveying
9 that property to a nonexempt entity is executed and delivered
10 by the transferee;

11 E. except as limited by Subsection A of this
12 section, the rights and remedies of obligees pursuant to the
13 Regional Housing Law are continued and may be:

14 (1) exercised against the transferee to the
15 same extent as they could have been exercised against a
16 regional housing authority; and

17 (2) used to cause the possession of a housing
18 project or obtain the appointment of a receiver to the same
19 extent as they could have been used under the Regional Housing
20 Law; and

21 F. as used in this section, "qualified nonprofit
22 entity" means a person that:

23 (1) has obtained a ruling from the federal
24 internal revenue service approving its status as a 501(c)(3)
25 nonprofit organization whose purpose includes providing

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1 affordable housing; and

2 (2) has been approved by the New Mexico
3 mortgage finance authority through its procurement process.

4 Section 3. TEMPORARY PROVISION--ADDITIONAL OBLIGATIONS
5 PROHIBITED.--From the effective date of this section through
6 June 30, 2007, notwithstanding any provision of the Regional
7 Housing Law, no regional housing authority shall begin a
8 housing project, issue bonds or otherwise incur a debt or enter
9 into any other agreement under which the housing authority
10 would be obligated to pay money.

11 Section 4. APPROPRIATION--EXPENSES INCURRED BY NEW MEXICO
12 MORTGAGE FINANCE AUTHORITY.--

13 A. Two million five hundred thousand dollars
14 (\$2,500,000) is appropriated from the general fund to the
15 department of finance and administration for expenditure in
16 fiscal years 2007 through 2010 for the purpose of making
17 disbursements to the New Mexico mortgage finance authority to
18 provide increased housing services and opportunities to persons
19 in the rural and underserved areas of the state. Funding for
20 transitional, operational and administrative expenses incurred
21 in carrying out the provisions of this act and for the
22 expansion and development of a private, nonprofit housing
23 organization is as follows:

24 (1) one hundred fifty-five thousand dollars
25 (\$155,000) for transitional expenses;

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1 (2) one million seven hundred thousand dollars
2 (\$1,700,000) for operating expenses; and

3 (3) six hundred forty-five thousand dollars
4 (\$645,000) for administrative expenses.

5 B. The New Mexico mortgage finance authority shall
6 report on the use of the disbursements to the Mortgage Finance
7 Authority Act oversight committee.

8 C. Any unexpended or unencumbered balance remaining
9 at the end of fiscal year 2010 shall revert to the general
10 fund.

11 Section 5. APPROPRIATION--ACCOUNTING OF ASSETS.--Two
12 hundred thousand dollars (\$200,000) is appropriated from the
13 general fund to the legislative finance committee for
14 expenditure in fiscal years 2007 and 2008 for the purpose of
15 conducting an accounting of all assets acquired by regional
16 housing authorities pursuant to the Regional Housing Law. No
17 later than December 1, 2007, the results of the accounting
18 shall be presented to the legislative finance committee and to
19 the Mortgage Finance Authority Act oversight committee. Any
20 unexpended or unencumbered balance remaining at the end of
21 fiscal year 2008 shall revert to the general fund.

22 Section 6. REPEAL.--Sections 11-3A-7, 11-3A-9, 11-3A-11
23 and 11-3A-14 through 11-3A-17 NMSA 1978 (being Laws 1994,
24 Chapter 132, Sections 7, 9, 11 and 14 through 17, as amended)
25 are repealed.

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1 Section 7. DELAYED REPEAL.--Effective on the earliest of
2 the following dates, Sections 11-3A-1 through 11-3A-6, 11-3A-8,
3 11-3A-10, 11-3A-12, 11-3A-13 and 11-3A-18 through 11-3A-29 NMSA
4 1978 (being Laws 1994, Chapter 132, Sections 1 through 6, 8,
5 10, 12, 13 and 18 through 29, as amended) and Section 1 of this
6 act are repealed:

7 A. the first day of the fiscal year following the
8 date that the director of the New Mexico mortgage finance
9 authority has certified to the secretary of finance and
10 administration, the New Mexico compilation commission and the
11 New Mexico legislative council that all transfers required by
12 Section 2 of this act have occurred; or

13 B. July 1, 2010.

14 Section 8. EFFECTIVE DATE.--The effective date of the
15 provisions of Sections 1, 2 and 6 of this act is July 1, 2007.

16 Section 9. EMERGENCY.--It is necessary for the public
17 peace, health and safety that this act take effect immediately.