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AN ACT

RELATING TO MAIN STREET REVOLVING LOANS; CHANGING CERTAIN
LOAN PROCEDURES AND CRITERIA; SPECIFYING CERTAIN PROCEDURES
OF THE MAIN STREET REVOLVING LOAN COMMITTEE; MAKING AN
APPROPRIATION.

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

Section 1. Section 3-60C-1 NMSA 1978 (being Laws 2007,
Chapter 103, Section 1) is amended to read:

"3-60C-1. SHORT TITLE.--Chapter 3, Article 60C NMSA
1978 may be cited as the "Main Street Revolving Loan Act"."

Section 2. Section 3-60C-3 NMSA 1978 (being Laws 2007,
Chapter 103, Section 3) is amended to read:

"3-60C-3. DEFINITIONS.--As used in the Main Street
Revolving Loan Act:

A. "committee" means the main street revolving
loan committee;

B. "division" means the historic preservation
division of the cultural affairs department;

C. "eligible property" means a site, structure,
building or object that is subject to the Main Street Act or
otherwise found pursuant to rule of the committee to merit
preservation pursuant to the Main Street Revolving Loan Act;

D. "fund" means the main street revolving loan
fund;

1 E. "lending institution" means a bank, savings and
2 loan association, credit union or nonprofit organization with
3 lending programs as part of its bylaws; and

4 F. "property owner" means the sole owner, joint
5 owner, owner in partnership or an owner of a leasehold
6 interest with a term of five years or longer of an eligible
7 property."

8 Section 3. Section 3-60C-4 NMSA 1978 (being Laws 2007,
9 Chapter 103, Section 4) is amended to read:

10 "3-60C-4. MAIN STREET REVOLVING LOAN COMMITTEE--
11 COMMITTEE AND DIVISION DUTIES.--

12 A. The "main street revolving loan committee" is
13 created, consisting of six members as follows:

14 (1) the director of the division or the
15 director's designee;

16 (2) the coordinator of the main street
17 program under the Main Street Act or the coordinator's
18 designee;

19 (3) the chair of the cultural properties
20 review committee or the chair's designee;

21 (4) the director of the local government
22 division of the department of finance and administration or
23 the director's designee;

24 (5) a member appointed by the governor with
25 expertise in small loans; and

1 (6) the chair of the board of directors of
2 friends of New Mexico mainstreet, inc., or the chair's
3 designee.

4 B. Public members of the committee shall not be
5 paid but shall be reimbursed for per diem and mileage
6 pursuant to the Per Diem and Mileage Act.

7 C. The committee shall:

8 (1) elect a chair and such other officers as
9 it deems necessary;

10 (2) meet at the call of the chair but no
11 less than four times per year;

12 (3) by rule, establish eligibility criteria
13 for properties and owners, establish procedures to govern the
14 application outreach and marketing of the loan program and
15 promulgate such other rules as are necessary to carry out the
16 provisions of the Main Street Revolving Loan Act;

17 (4) after considering the recommendations of
18 the division, make awards of loans or loan subsidies; and

19 (5) approve expenditures by the division for
20 marketing, managing and administering the loan program.

21 D. A member of the committee may participate in a
22 meeting of the committee by means of a conference telephone
23 or other similar communications equipment as provided in the
24 Open Meetings Act. Participation by conference telephone or
25 other similar communications equipment shall constitute

1 presence in person at a meeting.

2 E. The division shall:

3 (1) review applications for loans and loan
4 subsidies and make recommendations to the committee;

5 (2) administer all loans and loan subsidies;

6 (3) serve as staff to the committee; and

7 (4) report annually to the governor, the
8 legislative finance committee and the legislature on loans
9 made, loan payments received and all other activities
10 conducted pursuant to the Main Street Revolving Loan Act."

11 Section 4. Section 3-60C-5 NMSA 1978 (being Laws 2007,
12 Chapter 103, Section 5) is amended to read:

13 "3-60C-5. MAIN STREET REVOLVING LOAN FUND.--

14 A. The "main street revolving loan fund" is
15 created in the state treasury. The fund shall consist of
16 appropriations, loan payments, federal funds received for the
17 purpose of making loans, gifts, grants, donations and
18 bequests made to the fund. Income from the fund shall be
19 credited to the fund, and money in the fund shall not revert
20 or be transferred to any other fund at the end of a fiscal
21 year. Money in the fund is appropriated to the committee for
22 the purposes of:

23 (1) making revolving loans, including
24 related fees, to property owners, with the loans processed
25 and serviced by a lending institution; and

1 (2) paying division expenses to market,
2 manage and administer the loan program; provided that no more
3 than ten percent of the annual appropriation or other
4 distribution or transfer made to the fund may be used for
5 marketing, managing and administering the loan program.

6 B. Expenditures from the fund shall be made on
7 warrant of the secretary of finance and administration
8 pursuant to vouchers signed by the director of the division."

9 Section 5. Section 3-60C-6 NMSA 1978 (being Laws 2007,
10 Chapter 103, Section 6) is amended to read:

11 "3-60C-6. LOAN PROGRAM--APPLICATIONS--AWARDS.--

12 A. The division shall administer a program to
13 make direct loans or loan subsidies and shall contract with
14 one or more lending institutions for deposits to be used for
15 the purpose of making or subsidizing loans to property owners
16 for the restoration, rehabilitation or repair of eligible
17 properties.

18 B. The committee shall adopt a procedure for the
19 priority ranking of applications and projects, both eligible
20 and ineligible for federal funding assistance, for which loan
21 or loan subsidy applications have been received by the
22 division. The procedure shall be based on factors including
23 geographic distribution of recipient projects, severity of
24 deterioration of the eligible property, degree of
25 architectural and construction detail in the loan application

1 demonstrating the feasibility of the proposed restoration,
2 rehabilitation or repair of the eligible property and
3 availability of other funding for the project. All loans or
4 loan subsidies from the fund shall be granted pursuant to the
5 procedure, and the procedure shall be reviewed annually by
6 the division and the committee.

7 C. Loans or loan subsidies shall be made by the
8 committee pursuant to the following criteria:

9 (1) loans or loan subsidies from the fund
10 shall be made only to property owners who:

11 (a) agree to repay the loan in a time
12 period not to exceed ten years;

13 (b) agree to maintain the eligible
14 property as restored, rehabilitated or repaired for the
15 period specified in the loan or five years, whichever is
16 greater;

17 (c) agree to maintain complete and
18 proper financial records regarding the eligible property and
19 to make these available to the division and the committee on
20 request;

21 (d) agree to complete the proposed
22 restoration, rehabilitation or repair work on the eligible
23 property within twenty-four months from the date of loan
24 approval by the committee;

25 (e) provide sufficient collateral

1 security interest, as determined by the lending institution,
2 to the state in accordance with rules established by the
3 committee;

4 (f) submit conceptual design and
5 business plans with respect to the use of the loan proceeds,
6 prepared with the assistance of the local main street project
7 organization, the state main street program or other
8 professionals with experience in architecture, design or
9 business and financial planning;

10 (g) agree to all financial and other
11 commitments, terms and conditions for the loan established by
12 the division or the committee; and

13 (h) agree to any restrictions on
14 assignments of loans from the fund required by the committee
15 or the division;

16 (2) a loan shall be made for a period not
17 to exceed ten years with interest on the unpaid balance at a
18 rate not greater than the yield at the time of loan approval
19 on United States treasury bills with a maturity of three
20 hundred sixty-five days plus one-half of one percent. A loan
21 shall be repaid by the property owner in equal installments
22 not less often than annually with the first installment due
23 within one year of the date the loan is issued. If a
24 property owner transfers ownership of the eligible property
25 with respect to which a loan is made, all amounts outstanding

1 under the loan shall become immediately due and payable and
2 the property owner shall make a final interest payment on the
3 principal amount due at a rate equal to the interest rate on
4 the loan plus an additional one percent;

5 (3) loans shall be made only for eligible
6 costs. Eligible costs include loan servicing fees,
7 architectural, design, graphic design, construction and
8 engineering documents and planning costs, inspection of work
9 in progress, contracted restoration, rehabilitation and
10 repair costs and costs necessary to meet code requirements.
11 Eligible costs do not include costs of land acquisition,
12 legal costs or certain fiscal agents' fees as determined by
13 the committee; and

14 (4) loans are not assignable.

15 D. The division shall deposit in the fund all
16 receipts from the repayment of loans made pursuant to the
17 Main Street Revolving Loan Act."