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## FISCAL IMPACT REPORT

**SPONSOR** Ortiz y Pino & Tripp      **ORIGINAL DATE** 02/03/14  
**LAST UPDATED** 02/18/14      **HB** \_\_\_\_\_

**SHORT TITLE** Municipal Housing Commissioner Appointments      **SB** 71/aHJC

**ANALYST** Daly

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

Mortgage Finance Authority (MFA)

### SUMMARY

#### Synopsis of HJC Amendment

The House Judiciary Committee amendment to Senate Bill 71 clarifies that a housing authority that is created as a separate body politic is included in the definition of “state public body” in the Municipal Housing Law. It also strikes the phrase “by a city” from the definition of bonds in that law so that the issuer of bonds issued under that law is no longer restricted to a municipality or county.

The change to the definition of bonds appears to allow a housing authority that is created as a separate body politic to issue bonds upon proper delegation by a municipality or county. See Section 3-45-5(A), NMSA 1978.

#### Synopsis of Original Bill

Senate Bill 71 amends the Municipal Housing Act to clarify that a municipality (including a county) may create a housing authority as a body politic and separate from the city. It also changes the number of commissioners (currently set at five in all instances): the mayor must appoint three, five or seven members, at least three for municipalities that do not contain a metropolitan statistical area (MSA) and at least five and up to seven that do contain a MSA. Upon first appointment, each commissioner shall serve a staggered term of one to five years, depending on the size of that authority.

**FISCAL IMPLICATIONS**

Neither responding agency reported any fiscal impact.

**SIGNIFICANT ISSUES**

Under this bill, a housing authority created by a municipality or county is its own entity, separate from the city. It does not act as an agent of the city, as it may under existing law. As both DFA and MFA note, this separation clarifies that fiscal responsibility and liability lie with the authority itself.

Additionally, the provisions allowing fewer commissioners for a small city provides flexibility for those local governments who, according to responding agencies, have had difficulty satisfying the existing law’s requirement of five commissioners in all instances.

MFA believes that SB 71 will benefit local governments and housing authorities alike by clarifying each entity’s authorities, liabilities and responsibilities under the municipal housing law, and help smaller communities comply with membership and quorum requirements for local housing authorities.

Under the definition of “authority” and “housing authority” contained in the bill, it appears a city may still exercise the powers contained in the municipal housing law in its own right as an agency or other instrumentality of the city. See Section 1(F).

MD/svb:ds