## HOUSE BILL 196

## 55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

## AN ACT

RELATING TO REGIONAL HOUSING AUTHORITIES; REMOVING CERTAIN

PROVISIONS REQUIRING OVERSIGHT OF REGIONAL HOUSING AUTHORITIES

BY THE MORTGAGE FINANCE AUTHORITY; REQUIRING REGIONAL HOUSING

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AUTHORITIES TO COMPLY WITH THE UNITED STATES HOUSING ACT OF

1937 AND TO COOPERATE WITH CERTAIN FEDERAL AGENCIES;

HLLC→INCREASING THE AMOUNT PERMITTED FOR A REGIONAL HOUSING

AUTHORITY TO ENTER INTO A CONTRACT, MEMORANDUM OF UNDERSTANDING

OR OTHER AGREEMENT WITHOUT PRIOR APPROVAL.←HLLC HLLC→.←HLLC

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

SECTION 1. Section 11-3A-6 NMSA 1978 (being Laws 1994, Chapter 132, Section 6, as amended) is amended to read:

"11-3A-6. POWERS OF REGIONAL HOUSING AUTHORITY IN BOARD OF COMMISSIONERS--APPOINTMENT OF BOARD OF REGIONAL HOUSING AUTHORITIES--TERMS.--

A. The powers of each regional housing authority shall be vested in its board of commissioners as the board may be constituted, from time to time. The board of commissioners of the regional housing authority for each of the three regions shall be appointed by the governor and consist of at least seven members who shall be residents of the designated area of the regional housing authority; provided that no more than two members shall be residents of the same county. Appointments shall be for terms of four years and shall be made so that the terms of not more than four commissioners on each board of commissioners expire on July 1 of each year. Vacancies shall be filled for the unexpired term. Commissioners shall serve until their successors have been appointed.

B. Members of the board of commissioners of a .219247.1AIC February 10, 2021 (8:32am)

regional housing authority shall elect an executive committee consisting of a chair, vice chair, treasurer, secretary and one other member of the board to function and meet on a monthly basis as an executive committee. The executive committee shall have the authority to act on behalf of the board of commissioners of the regional housing authority as needed. The executive committee shall submit a report of actions to the full board of commissioners, which shall meet on a quarterly basis.

Members of the board of commissioners of a regional housing authority may receive per diem and mileage as provided in the Per Diem and Mileage Act but shall receive no other compensation, perquisite or allowance. A majority of the appointed commissioners of a board of commissioners shall constitute a quorum of the board for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by a regional housing authority upon a vote of a majority of the commissioners present. Each board of commissioners shall organize itself at its annual meeting each year. A board of commissioners may employ an executive director [subject to approval by the New Mexico mortgage finance authority]. With delegated authority from the board of commissioners, the executive director may hire or terminate, according to the procurement and personnel policies and procedures of the regional housing authority, any technical

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experts, officers, attorneys, agents or employees, permanent or temporary, as the regional housing authority may require.

- D. The threshold requirements for commissioners of boards of regional housing authorities are that commissioners have expertise and experience in housing construction, real estate, architecture, law, banking, housing finance, business, property management, accounting, residential development, public housing programs, community development, social services or health care. The requirements set forth in this section shall not apply to commissioners serving pursuant to requirements of the federal department of housing and urban development.
- E. Commissioners are expected to attend all meetings of the board of commissioners of the regional housing authority, and more than three unexcused absences may be grounds for dismissal from the board. All recommendations for appointments of commissioners shall be forwarded to [and reviewed by the New Mexico mortgage finance authority prior to recommendation to] the governor by the executive director."

SECTION 2. Section 11-3A-9 NMSA 1978 (being Laws 1994, Chapter 132, Section 9, as amended) is amended to read:

"11-3A-9. NONPROFIT CORPORATIONS.--Every regional housing authority, in addition to other powers conferred by the Regional Housing Law, shall have, if authorized by resolution of its board of commissioners, the power to create nonprofit .219247.1AIC February 10, 2021 (8:32am)

corporations to carry out the powers and duties set forth in Section 11-3A-7 NMSA 1978. The articles of incorporation [and bylaws] and any subsequent changes shall be [recommended for approval by the New Mexico mortgage finance authority] submitted to the secretary of state. Such nonprofit corporations shall be subject to all of the duties and limitations imposed on the regional housing authority and its board of commissioners."

SECTION 3. Section 11-3A-30 NMSA 1978 (being Laws 2007, Chapter 50, Section 6, as amended) is amended to read:

"11-3A-30. <u>FEDERAL COMPLIANCE</u>--FINANCIAL AND OPERATIONAL OVERSIGHT.--

A. Every regional housing authority shall comply with the requirements of the United States Housing Act of 1937, as amended, and shall cooperate with the United States department of housing and urban development and with all other departments of the state and local governments in the enforcement and administration of the provisions of the United States Housing Act of 1937, as amended, and the rules and regulations issued pursuant to that act; provided that compliance shall be in the manner prescribed in this section, or as otherwise provided by law.

B. Every regional housing authority shall:

(1) make reports in such form and containing such information as required by the agency or instrumentality
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of the United States, with which the regional housing authority is cooperating; and

(2) comply with the provisions required by the agency or instrumentality of the United States, as provided in Paragraph (1) of this subsection, to assure the correctness and verification of a required report.

HLLC→[A.] <u>C.</u> Without the prior approval of the [New Mexico mortgage finance authority] appropriate agency of the federal government, no regional housing authority shall:

(1) enter into any contract, memorandum of understanding or other agreement with a value greater than [one hundred thousand dollars (\$100,000)] one hundred fifty thousand dollars (\$150,000); or

(2) transfer, sell or liquidate any real or personal property with a value greater than one hundred thousand dollars (\$100,000) that was purchased in whole or in part using federal funding.←HLLC

[B. Not less than thirty days prior to the beginning of its fiscal year, each regional housing authority and each nonprofit corporation established pursuant to Section 11-3A-9 NMSA 1978 shall submit a final operating budget for the subsequent fiscal year to the New Mexico mortgage finance authority for review.

G.] HLLC→D.←HLLC HLLC→C.←HLLC The financial affairs of every regional housing authority and any nonprofit

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corporation created by a regional housing authority shall be thoroughly examined and audited annually by the state auditor, by personnel of the state auditor's office designated by the state auditor or by auditors approved by the state auditor. The audits shall be conducted in accordance with generally accepted auditing standards. Each regional housing authority shall submit to the state auditor, the department of finance and administration [the New Mexico mortgage finance authority, the Mortgage Finance Authority Act oversight committee] and the legislative finance committee, within thirty days following the receipt of the annual audit of the regional housing authority, a copy of that audit.

[D. Every regional housing authority shall submit an annual report of its financial and operational activities to the New Mexico mortgage finance authority for review and analysis and for dissemination to the department of finance and administration, the Mortgage Finance Authority Act oversight committee and the legislative finance committee. Each report shall set forth a complete operating and financial statement covering its operations since the previous report was presented.]

HLLC \*\*E. Failure on the part of a regional housing authority to correct any qualified audit within one year of the release of the audit shall result in the abatement of any state funds until such corrective actions are taken. If a regional

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housing authority should receive a qualified audit opinion for more than two consecutive years, the [oversight agency] state

auditor shall recommend corrective action to be taken."

HLLC

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