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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 2/20/01 HB HJR-10
 SHORT TITLE: Infrastructure for Affordable Housing SB _____
 ANALYST: Belmares

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			\$ 30.0		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Attorney General Office
 Constitution of New Mexico
 Legislative Finance Committee files
 New Mexico Mortgage Authority did not respond.

SUMMARY

Synopsis of Bill

House Joint Resolution 10 amends Article 9, Section 14 of the Constitution of New Mexico to allow the state, counties and municipalities to donate land owned by the state, county, or municipality for the construction on it of affordable housing. The resolution also allows the state, counties and municipalities to donate an existing building owned by the state, county or municipality for conversion or renovation into affordable housing. Additionally, the resolution allows the state, counties and municipalities to provide or pay the cost of infrastructure necessary to support affordable housing projects. The resolution also makes minor grammatical and stylistic changes.

Significant Issues

Before the affordable housing assistance may be provided, enabling legislation shall be enacted by a majority vote of the members elected to each house of the legislature. The provisions in the resolution are not self-executing. Enabling legislation would need to:

- define affordable housing,
- establish eligibility criteria,
- contain provisions to ensure the successful completion of affordable housing projects supported by assistance authorized by the resolution,

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- require a county or municipality providing assistance pursuant to the resolution to give prior formal approval by ordinance for a specific affordable housing assistance grant and include in the ordinance the conditions of the grant, and
- require prior approval by law of a specific affordable housing assistance grant by the state.

The Attorney General Office has indicated “The proposed amendment addresses any issues that would otherwise be raised by the antidonation clause. The proposed amendment does not raise any significant legal issues on its face, as long as the provision of affordable housing by the government is a recognized public purpose for which public money may be appropriately spent and the provision is implemented consistently with the requirements of equal protection.”

The amendment proposed in the resolution would need to be approved by voters in the next general election.

FISCAL IMPLICATIONS

The donation of land, buildings and infrastructure for affordable housing will increase expenditures by the state, county and municipal governments; however, the fiscal impact can not be quantified without knowing the scope of affordable housing programs which would be established pursuant to this resolution.

There is an estimated \$30.0 cost to the Office of the Secretary to comply with requirements set forth in Article 19, Section 1 of the New Mexico Constitution and Section 1-16-13, NMSA 1978.

Amendments to the Constitution must be published in both English and Spanish for four consecutive weeks in one newspaper in each county of the state. Because General Services sets the rate for legal publication charges, increases may occur without legislative approval or the ability of the Secretary of State to anticipate costs for budgeting purposes.

In addition, each amendment must be, pursuant to the same section of the Constitution, orally translated and radio broadcast into the following Native American languages: Tewa, Tiwa, Towa, Keres, Zuni, Mescalero Apache, Jicarilla Apache, and Navajo. The Secretary of State pays for the cost of these translations and broadcasts.

Included in the cost is the printing of amendment booklets in English and Spanish (including Spanish Language translation cost) and distributed to New Mexico’s 33 county clerks by the Secretary of State. For the 2000 General Election, Section 1-16-13 required 100,000 booklets to be printed (10% of the registered voters of the state). As voter registration numbers rise for each General Election, the cost to the Secretary of State will increase proportionately.

EB/njw