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**HOUSE BILL 421**

**46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003**

**INTRODUCED BY**

Raymond M. Ruiz

**AN ACT**

**RELATING TO REGIONAL HOUSING; AMENDING THE REGIONAL HOUSING LAW  
TO CHANGE A CERTAIN DEFINITION AND TO ALLOW BONDS TO BE SOLD AT  
NEGOTIATED SALES.**

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

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

**"11-3A-3. DEFINITIONS. -- As used in the Regional Housing  
Law:**

**A. "authority" means any regional housing authority  
or a nonprofit corporation created by an authority;**

**B. "bond" means any bond, note, interim  
certificate, debenture or other obligation issued by an  
authority pursuant to the Regional Housing Law;**

**C. "federal government" includes the United States**

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1 of America, programs of the United States department of housing  
2 and urban development, the farmers home administration and  
3 rural development administration of the United States  
4 department of agriculture or housing programs or any other  
5 agency or instrumentality, corporate or otherwise, of the  
6 United States of America;

7 D. "housing project" means an undertaking of an  
8 authority to:

9 (1) demolish, clear or remove buildings from  
10 any slum area. The undertaking may embrace the adaptation of  
11 the area to public purposes, including parks or other  
12 recreational or community purposes; or

13 (2) provide decent, safe and sanitary  
14 dwellings, apartments, single-family dwellings or other living  
15 accommodations for ~~[persons of]~~ low-income persons. The  
16 undertaking may include buildings, land, equipment, facilities  
17 and other real or personal property for necessary, convenient  
18 or desirable appurtenances, streets, sewers, water service,  
19 parks, site preparation or gardening or administrative,  
20 community, health, recreational, welfare or other purposes.

21 "Housing project" also may be applied to the planning of  
22 buildings and improvements, acquisition of property or existing  
23 structures, demolition of existing structures, construction,  
24 reconstruction, alteration and repair of improvements or  
25 buildings or any other work performed to complete housing

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1 projects;

2 E. "local public body" means any county,  
3 municipality, commission, district or other subdivision of the  
4 state;

5 F. "low-income person" means [~~any~~]:

6 (1) an individual, couple or family [whose  
7 ~~gross income does not exceed eighty percent of the resident's~~  
8 ~~particular county median income and who cannot afford to pay~~  
9 ~~more than thirty percent of his gross income for housing rent~~  
10 ~~or mortgage payments] who lacks the amount of income that is  
11 necessary, as determined by rule of the authority, to enable  
12 that individual, couple or family, without financial  
13 assistance, to live in decent, safe and sanitary dwellings  
14 without overcrowding; or~~

15 (2) a low-income person as defined by the  
16 federal government;

17 G. "obligee" means:

18 (1) a holder of bonds issued pursuant to the  
19 Regional Housing Law or a trustee for that bondholder;

20 (2) a lessor leasing to an authority property  
21 used in connection with a housing project or any assignee of a  
22 lessor's interest or partial interest; or

23 (3) the federal government when it is a party  
24 to a contract with an authority in regard to a housing project;

25 H. "real property" includes all lands, including

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1 improvements and fixtures on the land, property of any nature  
2 appurtenant to or used in connection with the land and every  
3 estate, interest and right, legal or equitable, in the land,  
4 including terms for years and liens by way of judgment,  
5 mortgage or other instrument and the indebtedness secured by  
6 the lien; and

7 I. "slum" means any area where dwellings  
8 predominate, which by reason of dilapidation, overcrowding,  
9 lack of ventilation, light or sanitary ~~[facilitates]~~ facilities  
10 or any combination of these factors are detrimental to safety,  
11 health or morals. "

12 Section 2. Section 11-3A-15 NMSA 1978 (being Laws 1994,  
13 Chapter 132, Section 15, as amended) is amended to read:

14 "11-3A-15. FORM AND SALE OF BONDS--INTEREST ON CERTAIN  
15 OBLIGATIONS. --

16 A. Bonds of an authority issued pursuant to the  
17 provisions of the Regional Housing Law shall be authorized by a  
18 resolution of the regional authority's board. The resolution,  
19 its trust indenture or the bonds to be issued shall set forth  
20 with regard to the bonds the date of issuance, the date of  
21 maturity, the rates of interest that the bonds will bear, the  
22 denominations, the form, either coupon or registered, the  
23 conversion or registration privileges, the rank or priority,  
24 the manner of execution, the medium and place of repayment and  
25 the terms of redemption, with or without premiums.

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1           B. Obligations issued by an authority that are true  
2 loan obligations made to the farmers home administration of the  
3 United States department of agriculture or the department of  
4 housing and urban development may bear interest at a rate of  
5 interest not exceeding par.

6           C. The bonds shall be sold at not less than par at  
7 a negotiated or public sale. If sold at a public sale, the  
8 sale shall be held after notice published once at least five  
9 days prior to the sale in a newspaper having a general  
10 circulation in the authority [~~and in a financial newspaper~~  
11 ~~published in the city of New York, New York~~]; provided that the  
12 bonds may be sold to the federal government at private sale at  
13 not less than par, and, in the event fewer than all of the  
14 bonds authorized in connection with any housing project are  
15 sold to the federal government, the balance of the bonds may be  
16 sold at private sale at not less than par at an interest cost  
17 to the authority that does not exceed the interest cost to the  
18 authority of the portion of the bonds sold to the federal  
19 government.

20           D. If an officer of an authority or any of its  
21 instrumentalities whose signature appears on bonds issued  
22 pursuant to the Regional Housing Law ceases to hold that office  
23 before the delivery of the bonds, the signature shall,  
24 nevertheless, be valid and sufficient for all purposes the same  
25 as if the officer had remained in office until delivery. Any

1 provision of any law to the contrary notwithstanding, any bonds  
2 issued pursuant to the Regional Housing Law shall be fully  
3 negotiable.

4 E. In any suit, action or proceedings involving the  
5 validity or enforceability of any bond of an authority or the  
6 security for the bonds, any bond reciting in substance that it  
7 has been issued by the authority to aid in financing a housing  
8 project to provide dwelling accommodations for [~~persons of~~]  
9 low-income persons shall be conclusively deemed to have been  
10 issued for a housing project of that character, and the housing  
11 project shall be conclusively deemed to have been planned,  
12 located and constructed in accordance with the purposes and  
13 provisions of the Regional Housing Law. "