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FISCAL IMPACT REPORT

SPONSOR: SCORC DATE TYPED: 03/10/03 HB _____

SHORT TITLE: Amend Land Title Trust Fund SB 153/SCORCS

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Corporations and Transportation Committee Substitute for Senate Bill 153 amends NMSA 1978, § 58-18-5 to reassign trustee authority for the land title trust fund (§ 58-28-3) and the Low-Income Housing Trust Act from the Financial Institutions Division (FID) of the Regulation and Licensing Department to the New Mexico Mortgage Finance Authority (MFA). The bill also directs the MFA to adopt and promulgate rules pursuant to the Land Title Trust Fund Act and the Low-Income Housing Trust Act.

SB 153/SCORCS allocates no more than ten percent of the land title trust fund to provide scholarships for New Mexico high school graduates and GED recipients at public post-secondary educational institutions.

This bill would allow money in the capital fund authorized by the Act (not less than twenty percent of the land title trust fund) to be invested in fully amortizing interest-bearing mortgages secured by real property in New Mexico, the interest on which is to be used for the same purposes as other money in the land title trust fund.

Significant Issues

The FID promulgated rules in 1998 and revised them in 2000 to facilitate the remittance and reporting of the interest from these programs to the Land Title Trust Fund.

TECHNICAL ISSUES

There is a typographical error in Section 5, page 17, line 15 of the bill.

Page 8 lines 4 and 5 – A definition for “division” refers to the Financial Institutions Division. With the changes in this substitute bill, there would be no reason to have a definition for the word “division” which refers to the FID, since the FID would no longer have any responsibilities under this Act.

OTHER SUBSTANTIVE ISSUES

This bill delegates responsibility for administering the scholarship program to a private entity. This may raise concerns regarding the association’s accountability to the public and to the state concerning its use of the funds. It may be desirable to require the association to report to the MFA regarding the association’s use of the scholarship funds, or give the MFA an oversight or auditing function in this regard.

LG/prr