

FIFTY-SEVENTH LEGISLATURE
SECOND SESSION

PROPOSED AMENDMENT DIRECTED TO A COMMITTEE

February 7, 2026

Madam Chair:

I propose to the HOUSE RURAL DEVELOPMENT, LAND GRANTS AND CULTURAL AFFAIRS COMMITTEE the following amendments to

HOUSE BILL 194

1. On page 1, line 13, after the semicolon, insert "ALLOWING A LOCAL GOVERNMENT TO PROVIDE FOR PERIODIC INSPECTIONS OF PROPERTY CONSTRUCTED PURSUANT TO A METROPOLITAN REDEVELOPMENT PLAN; PRESCRIBING DUTIES OF LOCAL GOVERNMENTS; PRESCRIBING CIVIL AND CRIMINAL PENALTIES; PROVIDING FOR ATTORNEY GENERAL ENFORCEMENT;".

2. On page 1, line 15, strike "TWENTY" and insert in lieu thereof "FOURTEEN".

3. On page 10, line 6, strike "with" and insert in lieu thereof "in which:" and the paragraph designation "(1)".

4. On page 10, line 7, after "units", insert "are".

5. On page 10, line 8, strike "provided that" and insert in lieu thereof the paragraph designation "(2)".

6. On page 10, line 8, strike "fifteen" and insert in lieu thereof "twenty".

7. On page 10, line 10, strike "and" and insert in lieu thereof a semicolon and the paragraph designation "(3)".

8. On page 10, line 12, strike "eighty-five" and insert in

lieu thereof "eighty" and after the semicolon, insert "and" and:

"(4) dwelling units are leased or available to lease at an average rent amount equal to or less than the rent amount for eighty percent of the area median income for one and one-half persons, taking into account unit types, as shown on the current income and rent limit tables for the applicable area published by the United States department of housing and urban development;".

9. On page 10, lines 15 and 16, strike "between seventy percent and" and insert in lieu thereof "not more than".

10. On page 10, strike lines 17 through 19 and strike line 20 up to the semicolon.

11. On page 26, line 21, strike "construct" and insert in lieu thereof "construction".

12. On page 27, line 8, strike "and".

13. On page 27, line 19, strike the period and the closing quotation mark and insert in lieu thereof "; and" and between lines 19 and 20, insert:

"(10) providing for periodic inspection of properties constructed or rehabilitated pursuant to a metropolitan redevelopment plan to ensure compliance with local rules governing housing and safety standards."".

14. On page 28, line 6, strike "twentieth" and insert in lieu thereof "fourteenth".

15. On page 32, line 4, strike "less than the seventh anniversary or more" and insert in lieu thereof "later".

16. On page 32, line 5, strike "twentieth" and insert in lieu thereof "fourteenth".

17. On page 32, between lines 6 and 7, insert:

"SECTION 10. A new section of the Metropolitan Redevelopment Code, Section 3-60A-10.1 NMSA 1978, is enacted to read:

"3-60A-10.1. [NEW MATERIAL] DUTIES OF LOCAL GOVERNMENTS AND LESSEES OR OWNERS OF QUALIFYING MULTIFAMILY PROPERTY.--

A. A local government shall require:

(1) qualifying multifamily units in qualifying multifamily properties to meet the definition of qualifying multifamily unit for fourteen years;

(2) that at least twenty percent of all units within a qualifying multifamily property be qualifying multifamily units for the full period determined by the local government pursuant to this section;

(3) that a lessee or an owner of a substantial beneficial interest in the project property shall accept housing choice vouchers administered by the United States department of housing and urban development from residents renting a dwelling unit in a qualifying multifamily property;

(4) a lessee of a qualifying multifamily property or an owner of a substantial beneficial interest in the property to pay to the local government an annual administrative fee of at least one hundred dollars (\$100) per unit, as determined by the local government, for all residential dwelling units within the qualifying multifamily property; and

(5) a lessee, at the lessee's expense, to provide to the applicable local government an audit report, conducted by an independent auditor or compliance expert with an established history of providing similar audits on housing compliance matters, as determined by the local government, confirming that the property was a qualifying multifamily property and that the designated units were qualifying multifamily units as defined in this section, confirming that the rents charged for each qualifying multifamily unit were at or below the amounts set forth in the United States department of housing and urban development's income and rent tables and confirming such other matters as set forth in the lease between the local government and the lessee.

B. For each qualifying multifamily property that, in the property tax year prior to becoming exempt from property taxation

and assessments pursuant to Section 3-60A-13 or 7-36-3.1 NMSA 1978, had an average rent amount for all residential dwelling units in the property that was less than the rent amount for households of one and one-half persons per bedroom earning less than eighty percent of the area median income, taking into account unit types, as shown on rent and income tables published by the United States department of housing and urban development, the lessee or owner of a substantial beneficial interest in that multifamily property shall make repairs, renovations or improvements within two property tax years after the property becomes exempt of at least ten thousand dollars (\$10,000) multiplied by the number of qualifying multifamily units in the property existing as of December 31 of the tax year prior to the property becoming exempt. Each year, the aggregate cost shall be adjusted by the consumer price index as of January 1 of the preceding year.

C. A local government shall provide a report on the effectiveness of each qualifying multifamily property developed pursuant to a metropolitan redevelopment plan to the legislative finance committee by July 1, 2033."

SECTION 11. A new section of the Metropolitan Redevelopment Code is enacted to read:

"[NEW MATERIAL] INVESTIGATION OF METROPOLITAN REDEVELOPMENT CODE VIOLATIONS--ENFORCEMENT.--

A. A person who knowingly provides any false or materially misleading information required by the provisions of the Metropolitan Redevelopment Code, or materially fails to comply with the provisions of any agreement between that person and a public body after any notice and cure period set forth in such agreement, shall be deemed to not be in compliance with, and be in default under, any lease or agreement exempting property from property taxation and assessments pursuant to Section 3-60A-13 or 7-36-3.1 NMSA 1978, and the public body shall be permitted to immediately terminate such lease and exemption from property taxation.

B. The attorney general shall investigate an alleged violation of the Metropolitan Redevelopment Code reported by a public body.

C. If the attorney general has reasonable belief that a person has violated a provision of the Metropolitan Redevelopment Code and that instituting a proceeding against that person would be in the public interest, the attorney general may bring a civil action on behalf of the state alleging a violation of that code. The action may be brought in the district court of the county in which the person alleged to have violated that code resides or in which the person's principal place of business is located. The attorney general shall not be required to post bond when seeking a temporary or permanent injunction in the civil action.

D. The attorney general may, in addition to or as an alternative to pursuing a civil action as provided in this section, pursue criminal charges against a person for an alleged violation of the Metropolitan Redevelopment Code under the applicable provisions of the Criminal Code. Venue for any criminal action shall be in the judicial district where the violation occurred.

E. In a civil action brought pursuant to this section for an alleged violation of the Metropolitan Redevelopment Code, if a court finds that a person willfully committed an act in violation of that code, the attorney general may seek to recover a civil penalty not exceeding ten thousand dollars (\$10,000) per violation, in addition to any equitable relief imposed by the court.

F. A person who violates the provisions of the Metropolitan Redevelopment Code is ineligible for exemptions from property taxation for five years after the violation."".

Respectfully submitted,

Cristina Parajón