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## FISCAL IMPACT REPORT

**BILL NUMBER:** Senate Bill 162

**SHORT TITLE:** Nonprofit Agreements with Dept. of Defense

**SPONSOR:** Woods

**LAST ORIGINAL**  
**UPDATE:** \_\_\_\_\_ **DATE:** 2/10/2026 **ANALYST:** Ortega

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Mortgage Finance Authority

## SUMMARY

### Synopsis of Senate Bill 162

Senate Bill 162 (SB162) amends Section 11-3A-9 NMSA 1978 to allow nonprofit corporations created by regional housing authorities to enter into intergovernmental support agreements with the U.S. Department of Defense and its service branches pursuant to 10 U.S.C. Section 2679.

Under the bill, a nonprofit corporation formed by a regional housing authority may:

- Enter into agreements with the U.S Department of Defense related to leasing, developing, constructing, renovating, maintaining, repairing, or managing property; and
- Carry out these activities inside or outside the geographic boundaries of New Mexico.

The bill further provides that proceeds generated from these activities must support the affordable housing objectives of the regional housing authority that created the nonprofit corporation. This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

## FISCAL IMPLICATIONS

SB162 does not include an appropriation and is unlikely to have a direct fiscal impact on state agencies. The bill expands the authority of nonprofit corporations created by regional housing authorities to enter into intergovernmental support agreements with the Department of Defense; however, participation in such agreements is not mandatory. Any administrative or operational

costs associated with negotiating and carrying out agreements would likely be assumed by the nonprofit corporations and supported by revenues generated through those agreements.

## **SIGNIFICANT ISSUES**

New Mexico hosts the White Sands Missile Range, Kirtland Air Force Base, Holloman Air Force Base, and Cannon Air Force Base, which contribute to housing demand in surrounding communities. Additionally, the state's three regional housing authorities—Western, Eastern, and Northern—provide housing assistance and supportive services to low- and moderate-income residents. By authorizing nonprofit corporations formed by these authorities to enter into intergovernmental support agreements with the Department of Defense, SB162 may create an additional mechanism to develop, improve, or manage housing stock and related services in communities near military installations. However, increased demand associated with military personnel and their families may place additional pressure on local housing markets, particularly in areas with limited affordable housing supply.

Implementation will depend on the capacity of regional housing authorities and their nonprofit entities to negotiate and manage agreements with the federal government. The Mortgage Finance Authority (MFA) states SB162 may increase housing availability for both military families and local residents.

## **OTHER SUBSTANTIVE ISSUES**

MFA notes amendments enacted in 2009 to the Regional Housing Law clarified and expanded oversight responsibilities for regional housing authorities, including annual reporting to the Legislative Oversight Committee, Legislative Finance Committee, and Department of Finance and Administration. While the U.S. Department of Housing and Urban Development provides primary funding and operational oversight of regional housing authorities, MFA maintains limited statutory oversight responsibilities, including review of regional housing authorities operating budgets, approval of new board members and executive directors, approval of articles of incorporation and bylaws for regional housing authority-created nonprofits, approval of contracts and property transactions exceeding \$100 thousand, and review of external financial audits.

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