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## FISCAL IMPACT REPORT

**SPONSOR** Papen **ORIGINAL DATE** 02/04/11  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Transfer Regional Housing Authorities to DFA **SB** 252

**ANALYST** Leger

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

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$0-250.0*	\$0-250.0*		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

\*See Fiscal Implications

Relates to Senate Bill 253

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Mortgage Finance Authority (MFA)

#### No Response

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 252 amends sections of the Regional Housing Law and transfers the oversight of the Regional Housing Authorities to the Department of Finance and Administration and makes technical word adjustments.

### FISCAL IMPLICATIONS

The fiscal impact of this bill reflects the appropriation amount in Senate Bill 253. SB 253 seeks an appropriation of \$250.0 for the purpose of funding the oversight of the regional housing authorities.

### SIGNIFICANT ISSUES

Senate Bill 252 is endorsed by the Mortgage Finance Authority Act Oversight Committee.

MFA proposes amending the Regional Housing Law so that all oversight responsibilities are transferred to DFA. MFA is dependent on an appropriation to ensure appropriate oversight and continued success with the regional housing authorities (RHAs); this bill is an alternative in the event of no appropriation.

Senate Bill 252 will transfer the following oversight duties currently required by MFA to DFA:

- Approval of an executive director;
- Provide recommendations of appointments for commissioners of the regional housing authorities to the governor;
- Approval of creation of a nonprofit corporation to carry out the powers of a regional housing authority;
- Approval of contracts greater than \$100,000;
- Approval to transfer, sell or liquidate any real or personal property greater than \$100,000; and
- Review operating budgets.

The duties DFA is currently required to do pursuant to the existing Regional Housing Law:

- Receive a copy of each regional housing audit; and
- Review and analyze an annual report of each regional housing authority's financial and operational activities.

## **ADMINISTRATIVE IMPLICATIONS**

According to MFA, in the absence of an appropriation, they cannot afford to subsidize the state to carry out the assigned oversight duties.

DFA must serve as the fiscal for funding appropriated by the state for oversight duties. MFA and DFA are required to enter into a joint powers agreement (JPA) prior to expenditures.

## **RELATIONSHIP**

The bill relates to SB 253 to appropriate \$250.0 from the general fund to DFA for the purpose of funding the oversight of the regional housing authorities.

JLL/svb