

LFC Requester:	Laird Graeser
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date January 30, 2024

Bill No: HB 261

Sponsor: Rod Montoya
Short Title: AFFORDABLE HOUSING TAX CREDIT CHANGE

Agency Name and Code Number: New Mexico Mortgage Finance Authority (MFA) 992
Person Writing: Robyn Powell
Phone: 505.767.2271 **Email:** rpowell@housingnm.org

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
CNBD	CNBD	CNBD	CNBD	CNBD

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

HB 261 increases the value of an investment voucher that may be claimed as an affordable housing tax credit from 50% to 100%.

FISCAL IMPLICATIONS

Increasing the value of an investment voucher that may be claimed as an affordable housing tax credit from 50% to 100% will likely increase the use of the \$5,115,454 currently available to the Affordable Tax Credit program.

SIGNIFICANT ISSUES

Currently, Under the Affordable Housing Tax Credit Act, donations eligible for investment vouchers include investment of land, buildings, materials, cash or services for an affordable housing project approved by the New Mexico Mortgage Finance Authority (MFA) or for the New Mexico Affordable Housing Charitable Trust Fund. The Affordable Housing Tax Credit Act directly reduces a donor’s state tax liability by 50% of the value of their donation. MFA is designated as the issuer of investment vouchers used to claim State Tax Credits.

The passage of HB 261 would increase incentives for donations to affordable housing projects and could fully utilize the amount of annual credit available for the first time since the Affordable Housing Tax Credit Act was passed. In 2022 the amount of annual credit available was \$5,115,454 and the amount of investment vouchers issued was \$1,183,410.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES