

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**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 1/24/2024

Bill No: SB 138

Sponsor: A. Maestas  
Short Title: CREATE DEMOLITION FUND

Agency Name and Code Number: Department of Finance and Administration-341

Person Writing: Steve Lacy

Phone: 505-695-5602 Email: Stevenk.lacy@dfa.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

| Appropriation |        | Recurring or Nonrecurring | Fund Affected |
|---------------|--------|---------------------------|---------------|
| FY24          | FY25   |                           |               |
|               | 10,000 | Nonrecurring              | General Fund  |
|               |        |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

| Estimated Revenue |      |      | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY24              | FY25 | FY26 |                           |               |
|                   |      |      |                           |               |
|                   |      |      |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

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

|              | <b>FY24</b> | <b>FY25</b> | <b>FY26</b> | <b>3 Year<br/>Total Cost</b> | <b>Recurring or<br/>Nonrecurring</b> | <b>Fund<br/>Affected</b> |
|--------------|-------------|-------------|-------------|------------------------------|--------------------------------------|--------------------------|
| <b>Total</b> |             |             |             |                              |                                      |                          |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: None  
Duplicates/Relates to Appropriation in the General Appropriation Act: None

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Senate Bill 138 (SB 138) appropriates \$10 million to the Department of Finance and Administration (DFA) to provide grants to counties and municipalities for them to demolish condemned residential properties. These grants will be awarded and administered in accordance with a newly created set of rules, developed by DFA, that promulgate the rules for the administration of and applications for these funds by December 1, 2024.

**FISCAL IMPLICATIONS**

SB138 appropriates \$10 million from the general fund for expenditure in FY 2025 and subsequent years thereafter. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

**SIGNIFICANT ISSUES**

**PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

DFA contains the experience to promulgate rules and procedures for distributing funds to counties and municipalities. This experience is seen in the department’s ability to make emergency rental assistance awards to individuals, counties, and municipalities. Once awards have been identified, the Local Government Division (LGD) will enter into grant agreements to obligate funds and issue payment reimbursements for valid expenditures. The LGD would be tasked with ensuring the legal requirements of the grant agreement are met and that the funding is monitored throughout its life cycle.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

An alternative would be to appropriate funds to both DFA and the New Mexico Mortgage Finance Authority (NMMFA). DFA has the expertise in working with local entities, to establish rules, and provide technical/fiscal assistance; whereas, the NMMFA has the expertise and the project management experience to manage housing projects.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

### **AMENDMENTS**