

NOTICE OF RULEMAKING

The Department of Finance and Administration's Infrastructure Planning and Development Division (the Division) is proposing to repeal and replace the New Mexico Administrative Code (NMAC) rule 2.110.2 NMAC, *Procedures for Applying for a Small Cities Community Development Block Grant* to address liability associated with non-compliance by grant recipients and align with updated requirements set out in federal regulations.

Section 9-6-21, NMSA 1978, as amended, requires Infrastructure Planning and Development Division to provide assistance to local governments, councils of governments, and tribal governments in administering funding to complete capital projects.

Notice Date: April 22, 2025

Hearing Date: May 28, 2025

Adoption Date: Proposed as July 1, 2025

Technical Citations: 2.110.2 NMAC

The Department is proposing to repeal and replace the rule as follows:

Throughout the rule:

1. Language is updated to change definition of "division" to mean Infrastructure Planning and Development Division.
2. Language is revised to remove definition of "Blighted Area".
3. Language is revised to remove definition of "Slum Area".
4. Language is revised to remove "Housing" and "Economic Development" as eligible activities because terms of compliance (liability).
5. Language has been simplified or updated to allow the rules to be more coherent.
6. Language is added to reflect required certification by the Higher Education Department and the Energy, Minerals, and Natural Resources Department that buildings meet current energy compliance standards as outlined in 14.7.9 NMAC.
7. Several sections have been renumbered due to new sections being added into the NMAC.

Section 1

Subsection - is updated to change division to Infrastructure Planning and Development Division.

Section 7

This section is renumbered due to new definitions and subsections added to the NMAC.

This section is updated to add new definitions.

Subsection B - is updated to remove definition of "Blighted Area".

Subsection G - is updated to define the term "Division".

Subsection H - is updated to remove definition of "Economic Development".

Subsection N - is updated to remove definition of "Program Income".

Subsection R - is updated to remove definition of "Slum Area".

Section 11

Subsection B - is updated to remove "Housing".

Subsection D - is updated to remove "Economic Development".

Section 12

Subsection C - is updated to remove authority for applicants to use fifteen percent of grant for public facility program activities.

Section 14

Subsection B - is updated to authorize non-rural applicants may also apply for funding.

Subsection C - is updated to remove competition language and economic development and emergency categories are removed.

Section 16

Subsection - is updated to change requirement for applicants to meet national objectives.

Subsection A - part 3 - is updated to clarify that eligible activity does not need to add or improve permanent residential structures that will be occupied by low and moderate income households.

Subsection A - part 4 - is updated so that activity does not need to involve creating or retaining jobs for persons of low and moderate income.

Section 25

Subsection E - is updated to replace “conference telephone” to “video conferencing”.

Section 26

Subsection A - is updated and removed.

Subsection B - is updated and removed.

Subsection C - is updated and removed.

Subsection D - is updated and removed.

Subsection E - is updated and removed.

Subsection F - is updated and removed.

Subsection G - is updated and removed.

Subsection H - is updated and removed.

Subsection I - is updated and removed.

These proposed rule changes will be contained in 2.110.2 NMAC. The register and the proposed rule are available on the Division website at: <https://www.nmdfa.state.nm.us/>. If you do not have internet access, a copy of the proposed register and rule may be requested by contacting DFA Office of General Counsel at dfalegal@dfa.nm.gov and (505) 827-4985.

The IPDD proposes to implement this rule effective July 1, 2025.

A public hearing to receive testimony on this proposed rule will be held on May 28, 2025, at 9:00 a.m. The hearing will be held at the New Mexico Public Education Department, Marbry Hall Auditorium, 300 Don Gaspar Avenue, Santa Fe, New Mexico, 87501, and via Microsoft Teams.

Join Microsoft Teams Meeting

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Phone conference ID: 256 122 521#

If you are a person with a disability and you require this information in an alternative format or require a special accommodation to participate in the public hearing, please contact our staff to discuss your accessibility needs at least one week prior, or as soon as possible, by emailing the DFA Office of General Counsel at: dfalegal@dfa.nm.gov or calling 505-827-3985.

Copies of all comments will be made available by the Division upon request by providing copies directly to a requestor or by making them available on the Division website or at a location within the county of the requestor.

Interested persons may address written comments to:

DFA Office of General Counsel
ATTN: IPDD 2.110.2 NMAC Public Comments
407 Galisteo St.
Bataan Memorial Building, Room 180

Santa Fe, NM 87501

Recorded comments may be left at (505) 827-4985. Interested persons may also address comments via electronic mail to: dfalegal@dfa.nm.gov. Written mail, electronic mail and recorded comments must be received no later than 12:00 p.m. MT on May 28, 2025. Written and recorded comments will be given the same consideration as oral testimony made at the public hearing. All written comments received will be posted as they are received on the DFA website at <https://www.nmdfa.state.nm.us/> along with the applicable register and rule. The public posting will include the name and any contact information provided by the commenter.