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## FISCAL IMPACT REPORT

<b>SPONSOR</b> <u>Parajon/Caballero</u>	<b>LAST UPDATED</b> _____
	<b>ORIGINAL DATE</b> <u>2/21/2025</u>
<b>SHORT TITLE</b> <u>Mobile Home Rental Agreements &amp; Landlords</u>	<b>BILL NUMBER</b> <u>House Bill 418</u>
	<b>ANALYST</b> <u>Hilla</u>

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 426

### Sources of Information

LFC Files

#### Agency Analysis Received From

New Mexico Attorney General (NMAG)

Office of Housing

New Mexico Mortgage Finance Authority (MFA)

#### Agency Analysis was Solicited but Not Received From

Department of Finance and Administration (DFA)

Municipal League (ML)

New Mexico Counties (NMC)

## SUMMARY

### Synopsis of House Bill 418

House Bill 418 (HB418) amends the Mobile Home Park Act to prohibit mobile home rental agreements shorter than 24 months and can only be terminated for cause outlined in the act. The bill would allow tenants the right to cure a violation in lieu of an eviction and must be allowed at least a 30 day notice to remove their home. Should there be a change in the use of land, tenants have 12 months to relocate, in which rent cannot increase during that time period. The bill increases the tie limit of a writ of restitution from 48 hours to ten days. HB418 increases liability of violations from \$500 to double the amount of total monthly rent and grants authority to the New Mexico Attorney General (NMAG) to investigate alleged violations of the Act and recover civil penalties.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## **FISCAL IMPLICATIONS**

The bill does not have a fiscal impact on the state's budget.

## **SIGNIFICANT ISSUES**

According to the New Mexico Mortgage Finance Authority (MFA), mobile homes are the second largest housing type in the state after single family detached homes in every county but three. MFA states homeownership of mobile homes contributes to the state's overall high homeownership rate. Both MFA and the Office of Housing state that mobile homeowners who rent mobile homes in parks are vulnerable to eviction when land is rezoned or sold, which HB418 would help remedy.

The NMAG states that the bill gives the office the ability to enforce the Act but does not require the NMAG to take any action.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to House Bill 426 which makes other amendments to the Mobile Home Parks Act regarding the purchasing of mobile home parks.

EH/hj/S12