FISCAL IMPACT REPORT

SPONSOR: Pope/Garratt

ORIGINAL DATE: 02/15/21

LAST UPDATED: 

HB:

SHORT TITLE: Homeowner Association Changes

SB: 231

ANALYST: Glenn

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

<table>
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<tr>
<th></th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>3 Year Total Cost</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>NFI</td>
<td>NFI</td>
<td>NFI</td>
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</tbody>
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(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the Attorney General (NMAG)

SUMMARY

Synopsis of Bill

Senate Bill 231 amends the Homeowner Association Act to require that once seventy-five percent of the lots in a development are conveyed to owners other than the original declarant of the homeowner association, at least seventy-five percent of the members of the homeowner association’s board must be elected by lot owners other than the declarant. The bill also removes the exemption for master planned communities from the Act’s provisions for mandatory termination of declarant control of a homeowner association.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

No fiscal impact was reported for SB231.
SIGNIFICANT ISSUES

SB231 affects the relationship between a homeowner association with maintenance and operational responsibilities for a development and lot owners in the development.

BG/sb