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FISCAL IMPACT REPORT

ORIGINAL DATE 1/19/16

SPONSOR Youngblood **LAST UPDATED** _____ **HB** 129

SHORT TITLE Homeowner Disclosure Certificate Fee Cap **SB** _____

ANALYST Mulligan

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$ 0.0	\$ 0.0	\$ 0.0	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

The bill would change the amount of the fee that homeowner associations could impose for preparation of a disclosure certificate under the act, from “reasonable charge” to \$150.00.

According to the Act, a disclosure certificate or disclosure statement is:

- (1) a statement disclosing the existence and terms of any right of first refusal or other restraint on the free alienability of the lot;
- (2) a statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling lot owner;
- (3) a statement of any other fees payable by lot owners;
- (4) a statement of any capital expenditures anticipated by the association and approved by the board for the current fiscal year and the two next succeeding fiscal years;
- (5) a statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the association for any approved projects;
- (6) the most recent regularly prepared balance sheet and income and expense statement, if any, of the association;
- (7) the current operating budget of the association;
- (8) a statement of any unsatisfied judgments or pending suits against the association

and the status of any pending suits material to the association of which the association has actual knowledge;

(9) a statement describing any insurance coverage provided for the benefit of lot owners and the board of the association;

(10) a statement of the remaining term of any leasehold estate affecting the association and the provisions governing any extension or renewal thereof; and

(11) the contact person and contact information for the association;

FISCAL IMPLICATIONS

HB 129 would have no fiscal impact on state agencies and governs private transactions involving homeowners associations.

MM/jo/jle