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FISCAL IMPACT REPORT

SPONSOR Sweetser ORIGINAL DATE 2/28/17
LAST UPDATED _____ HB 401
SHORT TITLE "Manufactured Home" Definition SB _____
ANALYST Romero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY17	FY18	FY19	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total				NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department

SUMMARY

Synopsis of Bill

HB 401 proposes a change in the definition of manufactured home in Chapter 66, the Motor Vehicle Code, to include "a park model home or a park model trailer" and further adds that a manufactured home is "primarily for long-term or permanent placement in a single location".

FISCAL IMPLICATIONS

No fiscal impact.

SIGNIFICANT ISSUES

A change in the definition of manufactured home in the Motor Vehicle Code will likely have an impact on the Manufactured Housing Division (MHD) of the Regulation and Licensing Department. The definition change also impacts the Construction Industries Division based on what a park model home is, although it is not defined in this bill.

NMSA 1978, § 60-14-2 (M), of the Manufactured Housing Act (MHA) defines a manufactured home as follows: "means a movable or portable housing structure over thirty-two feet in length or over eight feet in width constructed to be towed on its own chassis and designed to be installed with or without a permanent foundation for human occupancy as a residence and which

may include one or more components that can be retracted for towing purposes and subsequently expanded for additional capacity or may be two or more units separately towable but designed to be joined into one integral unit, as well as a single unit.” The definition for “manufactured home” does not include recreational vehicles or modular or pre-manufactured homes, built to Uniform Building Code standards, designed to be permanently affixed to real property...”

HB 401, while adding that a manufactured home includes a “park model” home or trailer, does not define “park model”.

Not only would this amended definition impact the Manufactured Housing Act [NMSA 1978, § 60-14] but also the Construction Industries Licensing Act [NMSA 1978, § 60-13] (CILA) as that Act clearly includes modular homes and pre-manufactured homes in its definition of “building” and the Act requires compliance with appropriate rules and trade codes. NMSA 1978, § 60-13-2 (L). Modular and pre-manufactured homes are included throughout CILA to indicate legislative intent to require that such structures comply with the Act, rules and codes in New Mexico. Modulares and premanufactured homes are to be inspected for code violations, NMSA 1978, § 60-13-2 (M); are excluded from the definition of a “manufactured commercial unit”, NMSA 1978, § 60-13-2 (Q); specifically provides for division authority to appoint inspection agencies to inspect these structures, NMSA 1978, § 60-13-41 (H); gives the division the authority to adopt inspection stickers to identify those structures in compliance with state codes/standards, NMSA 1978, § 60-13-42 (E); and provides the CID trade bureaus authority to recommend standards for the contracting or occupancy of these structures and provides for pre-existing use if in compliance when occupancy was initiated but requires current code compliance if a change in use, NMSA 1978, § 60-13-44 (H) and (I).

Another significant issue is that the definition references a “park model home” and a “park model trailer” within the definition of “manufactured home”. A park model home appears to be a different structure, subject to different rules and laws than those for a park model trailer. A park model trailer appears to fit the definition of a recreational vehicle. Therefore, its inclusion in the definition as written conflicts with the American National Standards Institute (ANSI) standards when it references “long-term or permanent placement” because park model trailers, recreational vehicles (RVs) in ANSI standards are of a temporary nature. Oppositely, a park model home, would appear to fit within the category of a modular/premanufactured home which would indicate a long-term or permanent placement.

It is important to consider the Recreation Vehicle Industry Association (RVIA) and ANSI when discussing park model trailers. Pursuant to RVIA, which complies with ANSI standards, a park model RV is defined as a “trailer-type RV that is designed to provide temporary accommodation for recreation, camping or seasonal use” and comply with ANSI A119.5. RVIA standards state that park model trailers are designed and built for recreational, not meant to be affixed to property nor intended to be used as permanent residences. The RVIA standards also explains what a park model RV is not, stating that, while they may appear to look like a small manufactured home, they are “actually titled and registered just like any other RV... are explicitly excluded from being considered or used as a manufactured home under the codes and regulations of the U.S. Department of Housing and Urban Development (HUD) specifically because they are a type of recreation vehicle.” Title 24, § 3282.8(g). RVIA standards provide that “Park model Rvs are built in accordance the national safety standards set forth under a nationally recognized standard, the American National Standards Institute (ANSI) A119.5

OTHER SUBSTANTIVE ISSUES

1. Conflicts with HUD, Title 24, § 3282.8(g)
2. Conflicts with NMSA 1978, § 60-13-2 and other CILA statutes.
3. Conflicts with NMSA 1978, § 60-14-2 (M) which specifically states that the definition of a manufactured home does not include modular or pre-manufactured homes built to uniform building code standards, although acknowledging in HB 401 that the structure is for long-term or permanent placement at a single location.

House Bill 401 creates language that would allow certain types of “manufactured homes” to be either temporarily or permanently placed in a single location. As such, it is unclear how taxing models would be implemented for individuals taking advantage of this change. The concern being that the owners of manufactured home could leave. Additionally, there is no clear way to establish a billing address for similar purposes.

ALTERNATIVES

Consider adding independent definitions for “tiny home”, “park model”, “park model trailer”, or other similar industry terms and conforming laws surrounding regulation of these types of homes.

IR/jle