

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR <u>Chávez/Jaramillo/Roybal</u> <u>Caballero/Lujan/Gurrola</u>	LAST UPDATED <u>3/12/23</u> ORIGINAL DATE <u>2/8/23</u>
SHORT TITLE <u>Filing of Liens With Property Owner</u>	BILL NUMBER <u>House Bill</u> <u>179/aHJC/a/HF1#1/aSJC</u>
ANALYST <u>Graeser</u>	

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25	FY26	FY27		
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	General Fund
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	Local Governments

Parenthesis () indicate revenue decreases.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	Minimal	Minimal	Minimal	Recurring	County Clerk's Offices

Parenthesis () indicate expenditure decreases.

Sources of Information

LFC Files

Responses Received From

New Mexico Board of Examiners for Architects

Regulation & Licensing Department (RLD)

New Mexico Board of Licensure for Professional Engineers and Professional Surveyors (BLEPS)

No Response Received

New Mexico Counties

SUMMARY

Synopsis of SJC Amendment to House Bill 179

The Senate Judiciary Amendment to the House Judiciary Committee Amendment to House Bill 179 struck the HF1#1 amendment item 3 and added "The failure of the claimant to serve the notice may preclude the recovery of interest, attorney's fees or costs."

Synopsis of HF1#1 Amendment to House Bill 179

The House Floor Amendment to House Bill 179 struck the HJC amendment #2 and added “The failure of the owner or reputed owner to receive the copy of the filed claim for a lien shall not serve as a defense to the lien if the claimant can demonstrate a good faith effort to timely send, deliver or post the copy of the filed claim.”

Synopsis of HJC Amendment to House Bill 179

The House Judiciary Committee Amendment to House Bill 179 made two clarifying technical amendments: (1) allowed email notification service in addition to mail or hand delivery; and (2) added “as shown on county assessor’s records” to the requirement that the “owner” be notified.

Synopsis of Original House Bill 179

House Bill 179 amends Section 48-2-6 NMSA 1978, Mechanics' and Materialmen's Liens – Time for filing lien claim; contents to require filers of liens under, Sections 48-2-1 to-18 NMSA 1978 to provide notice of the lien to the property owner within 15 days of filing the lien with the county clerk. The notice must be either mailed or hand delivered and include a copy of the claim that is the basis for the lien.

This bill does not contain an effective date, and as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed.

FISCAL IMPLICATIONS

No fiscal or administrative impact on the State or any agencies. Minimal administrative impact on County Clerk’s offices.

SIGNIFICANT ISSUES

The required notice to the person against whom a mechanic’s lien is filed would seem to be obvious, but sometimes the obvious needs to be stated in statute.

LG/al/ne