

LFC Requester:

Emily Hilla

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/14/2025

Check all that apply:

Bill Number: HB 426

Original x Correction
Amendment Substitute

Sponsor: Rep. Cristina Parajon, Rep. Marian Matthews, Rep. Antonio Maestas, Rep. Andrea Romero, Rep. Sarah Silva

Agency Name and Code Number: 305 – New Mexico Department of Justice

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Short Title: Mobile Home Park Sale Notices

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis:

HB 426 would amend the Mobile Home Park Act (“MHPA”) to add a new process providing park residents with the opportunity to attempt to purchase the park if the owner already intends to sell it.

Subsections A-D would add a new section to the MHPA requiring that if a mobile home park owner receives a bona fide offer to buy the park and intends to accept, the owner must notify each resident household in the park in writing by mail and posting of the terms of the offer. The residents shall then have the opportunity to submit an offer with substantially equivalent terms within ninety days, another ninety days to obtain necessary financing, and a final ninety days to close the sale. If at least fifty-one percent of the residents submit documentation to the owner to verify that residents have approved offering to purchase the park on substantially equivalent terms, the owner shall not refuse to sell to the residents or delay the sale. If the residents fail to comply with the required timeline and process, they lose the opportunity to purchase, unless the owner agrees to extend the deadlines.

Subsection E provides that if the residents submit an offer that the owner does not consider to be substantially equivalent to the third party’s offer, the owner shall negotiate in good faith to see if an agreement can be made that would allow the residents to purchase the mobile home park, including providing residents with the same information the owner would have provided to other prospective purchasers. If the owner rejects the residents’ offer, the owner must provide a good faith reason in writing within three days of the rejection.

Subsection F provides that the owner is not required to provide financing to residents except to the extent the owner would have provided financing to the original third-party offeror.

Subsection G provides that the opportunity to purchase timeline begins on the day the owner provides the initial notice, and each new offer to sell or purchase the park triggers a new opportunity to purchase.

Subsection H requires the owner to record an affidavit of compliance with this section with the county clerk attaching copies of the certified mail notices sent to residents.

Subsection I allows residents to record an affidavit with the county clerk stating that they

have made a purchase offer to the owner.

Subsection J provides that the new section applies to all counties and municipalities, including home rule municipalities.

Subsection K provides that an owner who sells a mobile home park without complying with the requirements shall be liable to the residents in the amount of \$100,000 or twenty percent of the appraised value of the park, whichever is greater. The liability shall be a priority lien on the property over a third-party buyer's interest. The residents shall select an appraiser and the owner shall be liable for the cost of appraisal.

Subsection L provides that an action to enforce the new section may be brought by the attorney general, a resident with the opportunity to purchase or their assignee.

Subsection M provides that if residents prevail in an enforcement suit they shall be entitled to their reasonable attorneys fees and court costs.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

The bill would give NMDOJ the ability to enforce the new section but does not require the NMDOJ to take any action. Currently the Mobile Home Parks Act does not explicitly provide for enforcement by NMDOJ.

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 418 also proposes amendments to the Mobile Home Parks Act but does not overlap, duplicate or conflict with the provisions in this bill.

TECHNICAL ISSUES

Subsection C (1)-(3) may contain a technical error: it appears the intent of that subsection was to require that documentation verifying that fifty-one percent of residents approved the purchase offer be submitted to the owner, but as written would require that fifty-one percent of the residents individually submit documentation to the owner and close on the purchase.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A