

LFC Requester:	Emily Hilla
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: Feb 14, 2024 *Check all that apply:*
Bill Number: HB 426 Original Correction
 Amendment Substitute

Sponsor:	<u>Parajón, Matthews, Maestas,</u>	Agency Name	<u>992 – New Mexico Mortgage</u>
	<u>Romero, Silva</u>	and Code	<u>Finance Authority</u>
Short	<u>MOBILE HOME PARK SALE</u>	Number:	<u>(Housing New Mexico MFA)</u>
Title:	<u>NOTICES</u>	Person Writing	<u>Robyn Powell</u>
		Phone:	<u>505-767-2271</u> Email <u>rpowell@housingnm.org</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NA	NA	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NA	NA	NA	NA	NA

(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	NA	NA	NA	NA	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Relates to Mobile Home Park Act

SECTION III: NARRATIVE

BILL SUMMARY

HB 426 proposes to include a new section of the Mobile Home Park Act to require notice to tenants before the sale of a mobile home park and providing an opportunity to purchase. The new section will require that notice of opportunity to purchase be provided in writing by first class mail and posted on the front door of each residence of the mobile home park and include the material terms and conditions of the offer received. Additionally, notice of any offer to purchase must be sent to the executive director of the mortgage finance authority. Residents will be given the opportunity to purchase if 51% of the residents agree to purchase the park and obtain financing within 90 days of being notified. An owner who sells a mobile home park and who has not complied with the provisions of this section shall be liable to the residents who possessed the opportunity to purchase. The liability of the owner shall be in the amount of one hundred thousand dollars (\$100,000) or twenty percent of the appraised value of the mobile home park, whichever is greater.

FISCAL IMPLICATIONS

No fiscal implications to MFA.

SIGNIFICANT ISSUES

Resident owned communities have become more common and other states have enacted requirements that property owners notify residents when selling a mobile home park and giving residents the right to make an offer to purchase the community, including Colorado, Montana, California, Florida and others. Many jurisdictions provide financial support or facilitate access to loans for resident groups seeking to purchase their community. While this bill does not propose an appropriation, funding through the state could be made available at terms that would allow these homes to remain affordable to the residents.

The U.S. Department of Housing and Urban Development (HUD) has policies to support resident-owned communities and manufactured housing communities (MHCs) including allowing access to FHA insured financing and the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) grant.

Mobile home communities are an important source of naturally occurring affordable housing and New Mexico has a large percentage of mobile homeowners who rent land in a community or park.

Some mobile home park property owners have been criticized for using unfair policies and for a lack of investment in aging communities, including necessary infrastructure upkeep and other measures to ensure safe conditions.

Benefits of resident owned communities include stabilization of housing costs for residents, decision making ability and a higher likelihood of long-term investment in the community.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS