

LFC Requester:

Sam Lesemann

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: 2/11/2025

Check all that apply:

Bill Number: SB 267

Original Correction
Amendment Substitute

Sponsor: Sen. Carrie Hamblen, Sen.
Heather Berghmans, Sen. Leo
Jaramillo, Sen. Linda M. Trujillo

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

Person Writing

Short Title: Housing Application Fees

Analysis: Mari Kempton

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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:
 Duplicates/Relates to Appropriation in the General Appropriation Act

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: SB 267 seeks to add new protections for residential renters and applicants for residential rentals, including capping application fees, late fees and requiring more notice for increasing fees.

Section 1 would add “applicant” and “screening fee” as new defined terms in the Uniform Owner Resident Relations Act (“UORRA”) and redefine “rent” to specifically exclude payments by the resident for “fees or utilities.” “Screening fee” would be defined as “a one-time charge that is charged to an applicant by an owner to recoup the owner's cost of purchasing a consumer credit report or reference check or the assistance of a screening service to validate, review or otherwise process an application for renting a dwelling unit[.]”

Section 2 would create a new section of UORRA requiring owners to disclose to applicants a full list of all fees and charges that will be assessed during the residency and all terms of the rental agreement.

Section 3 would create a new section of UORRA capping screening fees to \$50.00 and requiring a written agreement and receipt to charge a screening fee. Owners also would not be permitted to charge applicants a screening fee when the owner knows or should know that that dwelling unit will not be available. Owners would also not be allowed to cash or deposit the screening fee payment until all prior applications have been processed. Owners would be required to return the screening fee to the applicant if a prior applicant is qualified and rents the unit or if the owner does not obtain a credit report, perform a reference check or use a screening service to screen the applicant.

Section 4 would create a new section of UORRA requiring owners to provide a copy of any background check they use for screening to the applicant, and to accept a background check and/or credit report provided by the applicant if it was obtained within the last 90 days.

Section 5 would create a new section of UORRA requiring owners to give 60 days notice of any increase in fees for renewal of fixed term leases and month-to-month leases, or one rental period in cases of periodic tenancies of less than one month. Increases in rent would remain subject to the current 30-day notice requirement.

Section 6 would amend UORRA to cap late rent fees at 5% of the periodic rent (currently capped at 10%).

Section 7 would amend UORRA to allow applicants to enforce the new provisions in the same manner as tenants and imposes a \$250 penalty on owners for unauthorized screening fees.

Section 8 would add a new section to UORRA making violations of the new screening fees requirements or charging any rent or fees not provided for in the rental agreement a violation of the Unfair Practices Act.

FISCAL IMPLICATIONS

N/A.

SIGNIFICANT ISSUES

N/A.

PERFORMANCE IMPLICATIONS

N/A.

ADMINISTRATIVE IMPLICATIONS

This bill would create new violations of the Unfair Practices Act which NMDOJ enforces.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A.

TECHNICAL ISSUES

N/A.

OTHER SUBSTANTIVE ISSUES

N/A.

ALTERNATIVES

N/A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A.