

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: 2/4/2025 *Check all that apply:*
Bill Number: SB 267 Original Correction
 Amendment Substitute

Sponsor: Carrie Hamblen, Heather Berghmans, Leo Jaramillo, and Linda M. Trujillo **Agency Name and Code** 992 – New Mexico Mortgage Finance Authority
Short Title: Housing Application Fees **Number:** (Housing New Mexico | MFA)
Person Writing Robyn Powell
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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: None

Duplicates/Relates to Appropriation in the General Appropriation Act: None

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 267 proposes to amend the Uniform Owner-Resident Relations Act in the following ways:

1. Defines “screening fee” as one-time charge to an applicant by an owner to cover 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.
2. Adds new material that requires owners to disclose all terms of the rental agreement including rent and fees in a published listing of the dwelling unit.
3. Caps screening fee to fifty dollars and imposes the following requirements for charging the fee:
 - a. Owners must give the applicant written notice of the fee and the applicant must agree in writing to pay the fee.
 - b. Owners cannot charge the fee if the owner knows that he or she will not be able to rent the unit to the applicant.
 - c. Owners must provide applicants with a receipt for the fee paid.
 - d. Owners cannot use, cash, or deposit the fee until all prior applicants have either been screened and rejected or offered the dwelling unit and declined to enter into a rental agreement
 - e. Aside from the screening fee, owners cannot impose additional charges on applicants.
4. Requires that owners return the screening fee in the following circumstances:
 - a. A prior applicant is offered and accepts the rental unit.
 - b. The owner does not conduct a credit check, reference check, or use a screening service to obtain information about the applicant.
5. Prohibits owners from charging applicants fees for the following:
 - a. processing, reviewing or accepting rental applications
 - b. move-in prior to the start of a residency that is not a security deposit or screening fee.
6. Adds that an owner may require a background check so long as the applicant has the option to furnish his or her own background or credit check that was obtained within 90 days of the applicant.
7. Adds that owners may increase a fee that is provided pursuant to the terms of a rental agreement by providing notice of at least 60 days prior to the change of fee.
8. Adds to the “Payment of Rent” section that owners must calculate late fees based on rent.

9. Amends the “Prevailing Party rights in Lawsuit - “Civil Penalties” section to be “Prevailing Party rights in Lawsuit - Private Enforcement”
 - a. Adds to this section that owners who charge an unauthorized screening fee shall be liable for two hundred fifty dollars (\$250) and shall return all fees paid by the applicant
10. Creates civil penalties for owners who charge is not a screening fee or deposit or that was not published in a listing for rental of a dwelling unit in violation of the Uniform Owner-Resident Relations Act.

FISCAL IMPLICATIONS

No fiscal impact to Housing New Mexico | MFA.

SIGNIFICANT ISSUES

Senate Bill 267 has several potential implications for owners and residents within the state of New Mexico:

1. Increased Transparency

- a. Owners must disclose all terms of the rental agreement including rent and fees in a published listing of the dwelling unit and must receive written notice from the applicant agreeing to the terms and fees.

Implication: Upholds transparency among all parties and promoting fair practices across the industry.

2. Market Stability

- a. The amendment provides more administrative regulation through addressing full disclosure for all parties, caps on fees and positive business practices.

Implication: The amendment creates a transparent and predictable market environment for owners and residents.

3. Background Checks

- a. The residents can provide their own background check or credit report from the last 90 days instead of the owners conducting one.

Implication(s): Reports are inaccurate or missing information.

4. Other Fees

- a. This amendment sets forth a cap at fifty dollars for screening fees.

Implication: Owners may seek to recoup revenue no longer captured through the collection of screening fees by including other charges in a rental agreement.

5. Notice of Fee Changes

- a. Owners must disclose all fees upfront and provide notice of at least 60 days prior to the change.

Implication: Owners are responsible to maintain compliance with notice requirements.

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