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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/22/13  
 LAST UPDATED 03/05/13      HB \_\_\_\_\_

SPONSOR Ivey-Soto

SHORT TITLE Lien Claims Date & Delivery Method      SB 554/aSPAC

ANALYST Daly

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Attorney General's Office (AGO)

Energy, Minerals and Natural Resources Department (EMNRD)

### SUMMARY

#### Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to SB 554 expands the scope of the notice and method of delivery requirements for enforcement of certain liens to include abstracters' liens.

The notice requirement contained in the new subsection B in this amendment could be clarified to describe the content of the notice the lien claimant must give to the persons specified in order to make a lien enforceable or considered of record. (Similar clarifications may be appropriate as to the written notices being required by the amendments contained in Section 1(A) and Section 2(B) of the original bill.)

#### Synopsis of Original Bill

Senate Bill 554 bars enforcement of any lien filed with a county clerk unless the recorded lien shows the date and method of delivery of notice on the recorded lien. These requirements are applicable to mechanics' and material men's liens, threshing liens, harvesting liens, hospital liens or oil and gas products liens.

The effective date of this bill is July 1, 2013.

**FISCAL IMPLICATIONS**

No fiscal impact on the state is anticipated.

**SIGNIFICANT ISSUES**

Senate Bill 554 amends applicable sections of existing law to provide that no lien recorded in a county clerk's office can be enforced by legal action or considered to be of record unless the date and the method of delivery used when the lien claimant gave written notice is listed on the recorded lien. The bill clarifies notice must be given to the owner or reputed owner of the property and any original contractor, the injured party or that party's attorney, or the operator and first purchaser as the case may be.

Existing law does not require a recorded mechanic's or material man's lien or harvester's lien or oil and gas product's lien include the date and method of delivery of notice to the owner. In addition, statutes governing threshing, harvester's and oil and gas products liens do not require written notice be sent to the persons or entities against whom a lien may be claimed, and the law as to mechanic's and material man's liens only requires written notice be provided for certain types of claims.

MD/blm