

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: 1/17/2025

Check all that apply:

Bill Number: HB 43

Original Correction
Amendment Substitute

Sponsor: Rep. Kathleen Cates

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

Person Writing

Short Title: Housing Income to Rent Screening Calculations

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: This bill would add a new section to the statute regulating residential landlord/tenant agreements (The Uniform Owner-Resident Relations Act, NMSA §§ 47-8-1 through 47-8-51) to provide that if a landlord uses an income screening analysis to evaluate whether a prospective tenant has the ability to reliably pay the rent, and the prospective tenant receives some form of government housing assistance, the landlord must first subtract the amount of the housing assistance from the total rent due and base the screening on a comparison of any remaining rent the tenant would pay out of pocket to the tenants income.

FISCAL IMPLICATIONS

None

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None identified.

TECHNICAL ISSUES

Suggest removal of hyphens in the phrase “rent-payment-due” in Section 1 (B)(1) since it is grammatically unconventional and not necessary to convey the meaning of the clause. Consider substituting “rental payment due.”

OTHER SUBSTANTIVE ISSUES

Although the intent of the bill is fairly clear, it could be confusing to interpret/apply due to the ambiguity of the words “calculation of the remaining ratio of income to rent-payment-due” and the characterization of housing assistance as “income” in Subsection B (1), read together with the listed sources of income in B (2). It is not clear whether the applicant’s total income used in the calculation must include the housing assistance (presumably not, since it is being subtracted from the rent), or what type of calculation is permissible.

ALTERNATIVES

None identified.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

None identified.