| LFC Requester: | Emily Hilla |
|----------------|-------------|

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: 01/07/2025 *Check all that apply:* **Bill Number:** HB 253 Original X Correction Amendment __ Substitute __

Agency Name

Andrea Romero, Angelica Rubio,

Sponsor: Kristina Ortiz, Cristina Parajon

Sealing of Certain Court Records

Short

and Code N/A

Number:

Person Writing Roslynn Gallegos

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SECTION II: FISCAL IMPACT

Title:

APPROPRIATION (dollars in thousands)

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

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| | Recurring | Fund | | |
|------|-----------|------|--------------------|----------|
| FY25 | FY26 | FY27 | or Nonrecurring | Affected |
| 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:

SECTION III: NARRATIVE

BILL SUMMARY

This bill proposes that eviction records be sealed when an eviction case begins and remain sealed until a court order grants an owner possession of the premises. Sealed records can remain sealed if both parties agree or if the resident files an appeal.

For appeals, records remain sealed until the pendency of the appeal.

Once a record is sealed, a resident is not liable for failing to disclose the eviction in response to ANY inquiry by a third party. This means, tenants are not required to disclose a sealed eviction record when asked by landlords.

If a record becomes available to the public, then a resident may request that an eviction be resealed if in the interest of justice, and the interest is not outweighed by the public's interest in accessing records.

The bill also ensures tenants will not have to pay a fee to request their record to be sealed again, and it allows attorneys to access sealed records when needed without making them public.

FISCAL IMPLICATIONS

NA

SIGNIFICANT ISSUES

Allowing for eviction records to exist and remain visible on a person's record makes securing rental housing in the future more difficult and costly, and only adds to the housing issues within New Mexico. Statewide there are more than 15,000 evictions that occurred in 2023. In Bernalillo County, the county with the highest rate of evictions in the State of New Mexico, there is one eviction filed for every 10 renter households per year.

In an increasingly tight rental market, households that have been evicted face growing challenges in finding landlords willing to lease to them. The rise of tenant-screening agencies exacerbates this issue, as they often report any eviction filing as an actual eviction, regardless of the case's resolution. This can unfairly penalize renters who may have successfully defended themselves in court but still face barriers to securing housing. As a result, evictions become a major driver of homelessness and create persistent barriers for individuals attempting to exit homelessness. Implementing policies to either seal or destroy eviction records will mitigate long-term housing challenges stated above.

PERFORMANCE IMPLICATIONS

NA

ADMINISTRATIVE IMPLICATIONS

There may be some initial administrative implications as courts decide and provide guidance on when the public interest in a sealed record outweighs the benefits of sealing such records.

 $^{^{1}\,\}underline{\text{https://www.unitedsouthbroadway.org/eviction-sealing-should-top-new-mexicos-legislative-housing-agenda}$

² From Eviction Lab at https://evictionlab.org/

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

NA

TECHNICAL ISSUES

Creation of a system on the websites of courts that will allow eviction numbers to be posted.

OTHER SUBSTANTIVE ISSUES

NA

ALTERNATIVES

Automatic Expungement:

- 1. If an eviction case is dismissed, there is no pending appeal, and at least three years have passed since the case was filed, then an eviction is automatically expunged.
- 2. After the close of three years after the date on which the court record was made available to the public.

Expungement by Petition: If an eviction is based on nonpayment of rent or remaining after the lease ended, and the judgment has been satisfied, then an eviction may be expunged. Resident petitioner must file a petition and provide notice to the other party to the eviction. The court may not expunge the eviction if another party files a written objection.

Policy alternatives can provide opportunities for mediation or cure periods to help prevent evictions. In cases where eviction proceedings do occur, requiring that records remain sealed upon filing would protect the tenant's confidentiality until a ruling is made in the landlord's favor. Without sealed filings, eviction records become public, potentially branding tenants as high-risk—even if the court ultimately rules in their favor. For individuals who have faced eviction, expungement is the most effective solution to prevent long-term consequences and ensure that a single housing crisis does not lead to a lifetime of hardship.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Individuals with an eviction on their record often face the costly and burdensome process of petitioning the court for expungement—a challenge that is particularly unreasonable when the eviction itself stemmed from financial hardship. Without automatic or accessible expungement options, tenants who have struggled to afford rent are further disadvantaged, limiting their ability to secure stable housing in the future.

AMENDMENTS

PROPOSED AMENDMENT ONE:

Add definition:

"Expunge" means the process by which a record of eviction is destroyed and removed from a persons record and background check.

PROPOSED AMENDMENT TWO:

I. A sealed court record shall be released to an authorized attorney and maintain its status as a sealed court record without being made available to the public and without a showing of compelling need.

J. Expungement of Eviction Record:

- (1) Automatic Expungement: If an eviction case is dismissed, there is no pending appeal, and at least three years have passed since the case was filed, then an eviction is automatically Expunged.
 - (2) Expungement by Petition: If an eviction is based on nonpayment of rent or remaining after the lease ended, and the judgment has been satisfied, then an eviction may be expunged. Resident petitioner must file a petition and [or make Good Faith effort to] provide notice to the other party to the eviction. The court may not expunge the eviction if another party files a written objection; or
 - (3) Expungement by Stipulation: All parties to an eviction stipulate in a settlement agreement to Expunge the eviction record.

(4) Effect of Expungement:

- (a) Administrative Office of the Courts shall publish a list on the New Mexico Court's website that provides notice of any eviction Expunged under this section.
- (b) Within 30 days from the day on which an Expunged eviction number is listed on the New Mexico Courts' website:
 - (i) an agency shall Expunge any record of the Expunged eviction record in the custody of the agency; and
 - (ii) tenant screening agency shall remove the Expunged eviction from any database used by the tenant screening agency.
- (c) If an eviction is Expunged, a tenant screening agency may not:
 - (i) disclose the eviction in any tenant screening report pertaining to an individual for whom the eviction has been Expunged; or
 - (ii) use the eviction as a factor in determining any score or recommendation in any tenant screening report pertaining to the individual for whom the eviction has been Expunged.
- (d) Upon entry of an expungement order by a court under this section:
 - (i) The eviction is considered to have never occurred; and
 - (ii) The individual for whom the eviction is Expunged may reply to an inquiry on the matter as though there was never an eviction.
- (e) Except as provided in this section, a court, agency, tenant screening agency, organization, or an employee of a court, agency, tenant screening agency, or organization, may not disclose any eviction to, or share any information in a record of an eviction with, a person if the eviction has been Expunged under this part.

K. The provisions of this section shall apply to all evictions provided pursuant to the Uniform Owner-Resident Relations Act and the Mobile Home Park Act filed on or after the effective date of this 2025 act."