

LFC Requester:

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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) 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: 3/10/25

Check all that apply:

Bill Number: HB 442Original Correction Amendment Substitute Sponsor: Marian Matthews, Cristina Parajon,
Patricia Roybal CaballeroAgency Name 992 – New Mexico Mortgage
and Code Finance Authority
Number: (Housing New Mexico | MFA)Short Mobile Home RentPerson Writing Robyn PowellTitle: StabilizationPhone: 505-767-2271 Email rpowell@housingnm.org**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: N/A
Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 442 proposes amending Section 47-10-2, Property Law Article 10 – Mobile Home Parks by expanding the terminology to include “manufacture housing.” The bill proposes limiting a landlord’s ability to increase rent to once a year and cannot exceed 3% of the prior rent amount beginning in fiscal year 2026. The bill also replaces the current civil penalty of violations of the Mobile Home Park Act and states that these violations will also be pursuant to the Unfair Practices Act. The effective date of this bill is July 1, 2025.

The House Judiciary Committee Substitute incorporates the following changes into House Bill 442:

- Replaces the section title, “Rent Stabilization” with “Rent Fairness”:
 - Limiting a landlord’s ability to increase rent only once in a twelve-month period starting July 1, 2025 and the rent will be based on the rent in effect as of March 1, 2025. In fiscal year 2026, rent increase cannot exceed 3% of the prior rent amount. After June 30, 2026, the percentage increase of rent is capped at 5%.
- Includes a utility service protection section
 - Requires a resident to provide written notice to a landlord of interruptions in utility service upon discovery of the interruption or as soon as it is possible.
- Includes a provision that if a landlord fails to comply with State Statute 47-10-20 committing a violation that occurs for 8 hours or longer, a resident may abate rent by withholding \$150 per day beginning the day the violation is first observed by the resident until it is mitigated. If the violation persists for more than 7 days, the resident may withhold \$250 per day until the violation is cured. The residents may withhold rent only after providing written notice.
- Creates a temporary mobile home parks work group that will be comprised of representatives appointed by the superintendent of regulation and licensing including:
 - Regulation and Licensing Department
 - New Mexico Mortgage Finance Authority
 - Public Regulation Commission
 - Governor’s Office of Housing
 - Chair of the opportunity enterprise and house development review board
 - Attorney General,
 - Landlord of a mobile home park
 - Resident of a mobile home park.
- The group will be responsible for developing recommendations for rent policies, park management, and tenant protections, and report findings and recommendations to the appropriate interim legislative committees.
 - The group will function from its appointment until July 1, 2027. The group will provide its first report by December 1, 2025 and its recommendations by September 1, 2026.

FISCAL IMPLICATIONS

No fiscal impact to Housing New Mexico | MFA.

SIGNIFICANT ISSUES

New Mexico's housing stock is comprised of more mobile or manufactured homes and are an avenue that provides affordable housing. Other states across the United States have enacted rental control policies that pertain to mobile and manufactured home parks. Oregon was the first state to enact statewide rental control which limits rent increases to 7% plus inflation per year. In 2019, California passed the Tenant Protection Act of 2019 that protects tenants from excessive rent increases. This bill may provide more market stability by limiting the sudden rent increases that could affect moderate- and low-income households. This bill may provide more consumer protection for renters; however it could also lead owners/landlords to impose new fees to offset the revenue lost from the rent increases.

The House Judiciary Committee Substitute on House Bill 442 allows for rent abatement if a landlord violates state statute which may provide more renter protection. The addition of the section on utilities may provide more transparency between landlords and renters. The temporary work group established under the substitute may lead to more data for better informed long-term policy making.

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