

LFC Requester:	Chavez, Felix
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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: 2/21/25 *Check all that apply:*
Bill Number: HB 583 Original Correction
 Amendment Substitute

Sponsor: Rep. John Block **Agency Name and Code:** AOC
Short Title: Redemption Right Sale or Transfer **Number:** 218
Person Writing: Kathleen Sabo **Phone:** 505-470-3214 **Email:** aoccaj@nmcourts.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	Rec.	General

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
Unknown	Unknown	Unknown	Rec.	General

(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	Unknown	Unknown	Unknown	Unknown	Rec.	General

(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

Synopsis: HB 583 amends Section 39-5-18 NMSA 1978, governing redemption of real property sold under judgment or decree of foreclosure, to clarify that after a foreclosure sale, real estate may be redeemed by the former defendant owner of the real estate, the defendant owner's heirs, family or relatives within three degrees of consanguinity, a nonprofit housing organization or a junior mortgagee or junior lienholder.

The HB 583 amendment to Section 39-5-18 NMSA 1978 also prohibits a junior mortgagee or junior lienholder from transferring, selling or assigning redemption rights to a third party.

FISCAL IMPLICATIONS

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and any effects of the law upon the number of petitions for redemption filed in pending foreclosure cases. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUE

- 1) Only some states allow for a right of redemption after a foreclosure sale. Fewer still, apparently, allow redemption rights to be sold or transferred. See *Key Aspects of State Foreclosure Law: 50 State Chart*, Nolo, May 2024, <https://www.nolo.com/legal-encyclopedia/50-state-chart-key-aspects-state-foreclosure-law.html> . See also, *United States Foreclosure Laws*, February 2025, <https://www.foreclosurelaw.org/> .
- 2) ABQHouseHunters.net opines about its offer to buy redemption rights:

This is a great opportunity to walk away with some money from a situation where many people walk away with nothing. Whether your property is already headed to auction OR has already been auctioned, there may still be time to act but time is of the essence because the redemption period for us to act is 30 days from the date of the auction. Call us today to see what we can offer you! And of course, there's never any obligation!

<https://www.abqhousehunters.net/redemption-rights.html>

There is a question as to why, if the process of selling redemption rights is advantageous to some, the practice is being restricted/outlawed.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed

- Percent change in case filings by case type

ADMINISTRATIVE IMPLICATIONS

See “Fiscal Implications,” above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS