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## FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_

**SPONSOR** Sen. Wirth/Rep. Chandler **ORIGINAL DATE** 1/30/2025

**BILL**

**SHORT TITLE** Nonprofit Condo Assoc. Remote Business **NUMBER** Senate Bill 72

**ANALYST** Ortega

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>RLD</b>	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	<b>Recurring</b>	<b>General Fund</b>

Parentheses ( ) indicate expenditure decreases.  
 \*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
 Regulation and Licensing Department (RLD)

## SUMMARY

### Synopsis of Senate Bill 72

Senate Bill 72 enables nonprofit condominium associations to conduct business remotely. The bill makes the following amendments:

- Section 47-7C-8 NMSA 1978 (Condominium Act-Management of Condominium Act): Allows nonprofit condominium associations to send meeting notices electronically if the recipient has consented in advance.
- Section 47-7C-9 NMSA 1978 (Condominium Act-Management of Condominium Act): Permits virtual attendance for association meetings and executive board meetings, allowing members to be counted toward a quorum.
- Section 53-8-15 NMSA 1978 (Nonprofit Corporation Act): Authorizes members of nonprofit corporations to vote electronically, in person, or by proxy, unless otherwise restricted by bylaws or articles of incorporation.
- Section 53-8-16 NMSA 1978 (Nonprofit Corporation Act): Ensures that members participating remotely can be counted toward a quorum in nonprofit corporation meetings.
- Section 53-8-22 NMSA 1978 (Nonprofit Corporation Act): Allows nonprofit corporation board members to attend and participate in meetings remotely, with virtual attendance constituting presence in person.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the

Legislature adjourns if enacted, or June 20, 2025.

## **FISCAL IMPLICATIONS**

Senate Bill 72 does not include an appropriation. The Regulation and Licensing Department (RLD) reports there are no known fiscal implications to their department.

## **SIGNIFICANT ISSUES**

RLD notes:

The New Mexico Real Estate Commission (REC) which is administratively attached to the Boards and Commissions Division of RLD, provides the following comments regarding the bill:

- Condominium associations are not regulated by REC, so there is no direct effect on REC, however, there are likely to be some indirect effects on the real estate industry.
- Buyers and sellers often require condominium association's approval, information, and decision-making authority. Making these associations and boards more responsive with responsible use of electronic communication could provide better service to buyers and sellers.
- Real estate brokers play an important role in educating clients about association rules. If these associations begin to use remote tools, it is important that they communicate these changes effectively with REC licensees so that the process is transparent and fair.
- Condominium associations will need to update their bylaws to reflect this change and avoid conflict between the old and revised way of communicating and conducting meetings.
- Safeguards need to be put in place so that remote methods do not adversely affect those who do not have access to electronic devices or the internet.
- The technology [used by associations] must be secure, reviewable, and function properly to prevent disputes and maintain transparency.

AO/rl/SL2