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## FISCAL IMPACT REPORT

<b>SPONSOR</b>	House Commerce and Economic Development Committee	<b>LAST UPDATED</b>	
		<b>ORIGINAL DATE</b>	3/12/25
<b>SHORT TITLE</b>	Mobile Home Park Sale Notices	<b>BILL NUMBER</b>	CS/House Bill 426/HCEDCS
		<b>ANALYST</b>	Hilla

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
State	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	General Fund
Total	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	General Fund

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

### Sources of Information

LFC Files

Agency Analysis Received From  
 New Mexico Attorney General (NMAG)  
 Mortgage Finance Authority (MFA)  
 Governor’s Office of Housing

## SUMMARY

### Synopsis of HCEDC Substitute of House Bill 426

The House Commerce and Economic Development Committee (HCEDC) substitute for House Bill 426 (HB426) adds to the Mobile Home Park Act to require owners to notify each resident of a mobile home park and the Mortgage Finance Authority (MFA) of any offer for purchase that the owner intends to accept. Residents shall have the opportunity to purchase the mobile home park before the owner can accept the third-party offer if:

- At least 51 percent of residents express intent to buy within 75 days;
- Residents are able to secure financing within an additional 90 days; and
- Residents with the opportunity to purchase are able to close on the purchase within a commercially reasonable amount of time specified by the purchase and sale agreement.

An owner shall not refuse to enter into or delay the execution or closing on a purchase and sale agreement with residents who have made an offer to meet the price and substantially equivalent terms and conditions of the third-party offer. The bill imposes financial penalties of either \$100 thousand or 20 percent of the appraised value of the mobile home park, whichever is greater. HB426 prohibits waiving resident rights and legal action enforced by the New Mexico Attorney General (NMAG).

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**

This bill does not impose a direct fiscal impact on the state.

## **SIGNIFICANT ISSUES**

MFA states Colorado, Montano, California, and other states have similar laws as outlined in HB426. For example, Illinois' Public Act 103-0766 allows mobile home park residents to have the right of first refusal when a mobile home park is listed for sale, allowing residents to match the sale terms offered to third parties like HB426.

The Office of Housing states that more than 35 thousand people live in manufactured land-lease communities in the state, with San Juan County having the highest rate of manufactured housing of any other county in the United States. Both the Office of Housing and MFA indicate the bill would contribute to affordable housing options.

NMAG states the bill grants authority for the NMAG to enforce the new section but not to take any action, noting the Mobile Home Park Act does not explicitly provide for enforcement by the NMAG.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB426 relates to House Bill 418 and House Bill 442, which make other amendments to the Mobile Home Park Act. The bill relates to House Memorial 35 and House Bill 426, both of which establish a mobile home parks workgroup.

## **TECHNICAL ISSUES**

NMAG notes the following:

Subsection C (1)-(3) may contain a technical error: It appears the intent of that subsection was to require that documentation verifying that 51 percent of residents approved the purchase offer be submitted to the owner, but as written would require that 51 percent of the residents individually submit documentation to the owner and close on the purchase.