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FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/2007

SPONSOR Cervantes LAST UPDATED _____ HB 771

SHORT TITLE Property Owner Rights and Responsibilities SB _____

ANALYST Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Attorney General's Office (AGO)

SUMMARY

Synopsis of Bill

House Bill 771 enacts a new section of the Uniform Owner-Resident Relations Act, providing procedures to be followed in the event of the death of a resident who is the sole occupant of a rental dwelling. HB 771 provides that an owner may request in writing and/or a resident may provide a "contact person" designated by a resident in writing as the person to contact and release property to in the event of the resident's death. The bill sets out procedures and timetables for the owner to follow in the event of the death of a resident, and provides that an owner and a resident may agree to a different procedure in a written rental agreement or other agreement. The bill also provides that an owner who violates the procedures detailed in the bill is liable to the estate of the deceased resident for actual damages.

FISCAL IMPLICATIONS

AOC states that 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 commenced civil actions for damages. 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 ISSUES

AOC lists the following significant issue:

- 1) Section 47-8-34.1 NMSA 1978 governs disposition of property left on the premises, including by abandonment which, as defined in Section 47-8-3, could include the death of a resident. Section 47-8-34(C) provides that

- C. If the resident abandons the dwelling unit as defined in Subsection A of Section 3 of the Uniform Owner-Resident Relations Act [Section 47-8-3], the owner shall be entitled to take immediate possession of the dwelling unit. The owner shall, in such cases, be responsible for the removing and storing of the personal property for such periods as are provided by law.

Section 47-8-34.1 may need to be amended to acknowledge separate rules regarding disposition of property in the event of abandonment by death.

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

BS/nt