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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/25/09

SPONSOR Stewart LAST UPDATED \_\_\_\_\_ HJM 44

SHORT TITLE Study Homeowners' Associations SB \_\_\_\_\_

ANALYST Hoffmann

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

House Joint Memorial 44 is related to Senate Bill 184 and to Senate Bill 624. Please see the narrative.

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 44 requests that the New Mexico Legislative Council direct the appropriate interim legislative committee to study homeowners' associations in New Mexico.

House Joint Memorial 44 cites the following reasons that would warrant a study of homeowners' associations.

Some homeowners' associations have assumed much broader powers than their original purpose of managing a neighborhood's common areas such as roads, parks and pools.

Homeowners' associations are distinguished from other community and neighborhood associations by their ability to assess dues, impose regulations on the use of property and levy fines on homeowners who violate regulations.

Other states have enacted statutory protections for property owners who are subject to homeowners' associations.

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House Joint Memorial 44 directs the Legislative Council to direct the Courts, Corrections and Justice Committee to study homeowners' associations in New Mexico, including: reviewing homeowner complaints, lawsuits or other controversies relating to homeowners' associations in New Mexico; researching legislation or other responses to homeowners' association problems in other states; and recommending appropriate legislation.

The memorial also directs that copies of the memorial be transmitted to the co-chairs of the New Mexico Legislative Council.

### **FISCAL IMPLICATIONS**

House Joint Memorial 44 makes no appropriations.

### **RELATIONSHIP**

House Joint Memorial 44 is related to Senate Bill 184, which proposes that in any civil action brought by or against a homeowners association, the prevailing party may, in the discretion of the court, be awarded reasonable attorney fees and costs.

House Joint Memorial 44 is also related to Senate Bill 624 titled the “Homeowner Participation Act,” which establishes the requirements under which a homeowners’ association must be created, the initial and final governance structure, and the reporting, disclosure and audit requirements for a homeowners’ association.

CH/mt