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FISCAL IMPACT REPORT

SPONSOR Powdrell-Culbert/ Anderson **ORIGINAL DATE** 2/3/19
LAST UPDATED 2/13/19 **HB** 343/aHLLC

SHORT TITLE Notice & Fees of Mechanics' Liens **SB** _____

ANALYST Daly

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
	Minimal	Minimal	Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total			See Fiscal Implications			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Attorney General (NMAG)
 Regulation & Licensing Department (RLD)

Response Not Received From

Association of County Clerks

SUMMARY

Synopsis of HLLC Amendment

The House Local Government, Land Grants and Cultural Affairs Committee amendment to House Bill 343 clarifies that the county clerk is to mail a copy of any recorded lien to the address of the owner of record as listed on the lien, and requires the clerk to charge an additional fee of \$25 to the lien filer. That fee is to be deposited in the county clerk's recording and filing fee funds.

Synopsis of Original Bill

House Bill 343 amends existing law to require a county clerk to mail to the property owner of record a copy of any mechanic or materialman's lien recorded in the county on that property within 10 days of the filing of the lien. It also authorizes the county clerk to charge the filer of such lien a fee of up to \$25 dollars for that mailing.

The effective date of this bill if enacted is July 1, 2019.

FISCAL IMPLICATIONS

HB 343 has no fiscal impact on the state. It may result in minimal revenue to counties upon collection of the authorized fee.

SIGNIFICANT ISSUES

RLD suggests that the owner of record might be better served if the existing provisions of Subsection (B) and (D)—requiring notice by the lien claimant to the contractor or owner of record of the claimant's right to claim a lien no more than 60 days after initially furnishing work or materials—were mandatory and not subject to the exception spelled out in the existing Subsection (E).

The new burden placed on a county clerk to research the owner of record based on the description of the property impacted may be more time-consuming than the \$25 fee suggests, particularly when the lien does not contain the name of the owner, but reflects only the name of the original contractor and a description of the property. Further, the bill does not relieve the clerk of this new duty if the name of the owner is not provided and the description of the property is insufficient to determine ownership.

MD/gb/sb