

<b>LFC Requester:</b>	<b>Emily Hilla</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**

*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 2/14/25 *Check all that apply:*  
**Bill Number:** HB426 Original  Correction   
 Amendment  Substitute

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0	\$0		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0	\$0	\$0		

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Relates to HB418 Mobile Home Rental Agreements and Leases

**SECTION III: NARRATIVE**

House Bill 426 (HB426) Mobile Home Park Notices is a form of “opportunity to purchase” (OTP) legislation that would create a mandate for mobile home parks owners who intend to sell a property to notify all residents in writing of the intent to sell and the terms of any bona fide purchase offer. HB 426 further provides for timeframes for residents to submit an equivalent offer to purchase the property and create what is typically called a “Resident Owned Community” (ROC). Because the terms must match the third-party offer to park owners, there is no financial impact for the seller of the park.

HB426 provides for an initial 90-day period from notification for at least 51% of residents to notify the park owner in writing that they intend to purchase the property. Residents then have an additional 90 days from the execution of a purchase and sale agreement to secure financing commitments, and an additional 90 days after securing a financing commitment to close on the purchase of property. Failure to achieve any of the 90-day benchmarks allows the property owner to move forward with the third-party sale. The owner may also extend any of the 90-day time windows at their discretion.

The bill also includes penalties of the greater of \$100,000 or 20% of the appraised value of the park for not adhering to requirements of the bill. Enforcement is delegated to the NM Department of Justice.

### **FISCAL IMPLICATIONS**

There will likely be administrative burden at the NM Department of Justice for the enforcement aspect of this legislation.

### **SIGNIFICANT ISSUES**

According to the MHVillage Community Information Report, New Mexico has approximately 380 manufactured home communities, also called mobile home parks, that contain roughly 25,000 homes. More than 35,000 people live in New Mexico manufactured housing land-lease communities. San Juan County New Mexico has the highest rate of manufactured housing of any county in the entire United States. Manufactured housing is a vital source of naturally affordable housing in New Mexico and one that is at significant risk pressure for sale and redevelopment.

Residents of manufactured housing communities are particularly vulnerable to the impulses of landowners who can sell the community land or change the land use at any time, often resulting in the loss of affordable housing and displacement of vulnerable people. Thousands of these homeowners are elderly, many without secure tenancy. Because of the high cost of moving a mobile home—often \$5000 or more—many people who reside in parks that are sold are forced to sell their homes for a fraction of their market value when they are unable to afford moving fees. This leads to forced displacement which can contribute to increased mental and physical health problems, homelessness, and the need for publicly funded social services.

Opportunity to purchase legislation creates the opportunity for mobile home park residents to purchase the park at the same terms as a bona fide third-party purchase offer and create a Resident Owned Community. This model is similar to some land trust models where the residents collectively own the land under their homes, and manage the park themselves. There is active engagement in New Mexico from ROC USA, a national organization that provides technical assistance and other support to manufactured home communities to organize into ROC structures. They also provide financing products for residents to purchase their communities and place them into ROC ownership models. To date they have helped preserve 339 communities nationwide.

Twenty-two states have enacted some form of opportunity to purchase legislation. One of the most recent was Colorado, which passed OTP in 2020. Since then, twelve communities have become ROCs, preserving 606 homes. New Hampshire, one of the most established programs in the country (and home to ROC USA), has preserved 151 communities and including 9,139 homes.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

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

HB 426 relates to HB418 Mobile Home Rental Agreements and Leases which proposes to increase tenant protections for people who lease space in mobile home parks, including lengthening minimum lease terms.

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Loss of naturally affordable housing, continued housing insecurity for approximately 35,000 New Mexicans.

## **AMENDMENTS**