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FISCAL IMPACT REPORT

SPONSOR Lujan/Rubio/Parajón/Anyanonu/Ferrary LAST UPDATED _____
ORIGINAL DATE 2/7/2025
SHORT TITLE Prohibit Certain Homeowner Association Fees BILL NUMBER House Bill 232
ANALYST Hernandez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

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

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

New Mexico Mortgage Finance Authority (MFA)

Agency Analysis was Solicited but Not Received From

Department of Finance and Administration (DFA)

Governor's Office of Housing

SUMMARY

Synopsis of House Bill 232

House Bill 232 (HB232) prohibits homeowner associations from assessing a fee on the sale of a property by a lot owner.

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

LFC and the New Mexico Mortgage Finance Authority analysis indicate that there is no an impact to the operating budget or state revenues. It appears that these fees are not subject to New Mexico's Gross Receipts and Compensating Tax Act, which means that there is no revenue impact. LFC staff analysis suggests no other fiscal impact.

SIGNIFICANT ISSUES

Homeowner associations' transfer fees usually range between \$200 to \$250 per transaction. The

fee can either be a flat fee, a percentage of the sale price, or both. Therefore, the cost may vary greatly depending on the individual association.

AEH/rl