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FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/15

SPONSOR Baldonado LAST UPDATED _____ HB 320

SHORT TITLE Homeowner Associations Limits On Flags SB _____

ANALYST Cerny

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 380 Homeowner Association Disclosure and Fees, and SB 491 Homeowner Association Disputes and Meetings

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
Office of the Attorney General (AGO)

SUMMARY

Synopsis of Bill

House Bill 320 amends the Homeowner’s Association Act, Section 47-16-1 5, to prohibit a Home Owner’s Association (HOA) from adopting or enforcing “a restriction related to the flying or displaying of flags that is more restrictive than the applicable federal or state law or county or municipal ordinance.”

FISCAL IMPLICATIONS

HB 320 includes no appropriation and has no fiscal impact.

SIGNIFICANT ISSUES

The federal Freedom to Display the American Flag Act of 2005, P.Law 109-243 prohibits homeowner associations (HOAs) from restricting owners from displaying the U.S. flag on their property. However, under the federal Act, HOAs may place reasonable restrictions on the time,

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place, and manner of the display to protect a "substantial" interest of the association. A reasonable restriction may apply to a flag installation or display that presents a safety risk, or in some way interferes with a neighbor's enjoyment of their property.

<http://www.gpo.gov/fdsys/pkg/PLAW-109publ243/html/PLAW-109publ243.htm>

Since HB 320 specifies that any HOA restriction may not be more restrictive than applicable law or ordinance, absent any other state, county or municipal laws that are more restrictive, the federal act would pertain.

CAC/bb