

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)).

## FISCAL IMPACT REPORT

ORIGINAL DATE 02/15/21

SPONSOR Pope/Garratt LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Homeowner Association Changes SB 231

ANALYST Glenn

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

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Office of the Attorney General (NMAG)

### SUMMARY

#### Synopsis of Bill

Senate Bill 231 amends the Homeowner Association Act to require that once seventy-five percent of the lots in a development are conveyed to owners other than the original declarant of the homeowner association, at least seventy-five percent of the members of the homeowner association's board must be elected by lot owners other than the declarant. The bill also removes the exemption for master planned communities from the Act's provisions for mandatory termination of declarant control of a homeowner association.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

No fiscal impact was reported for SB231.

**SIGNIFICANT ISSUES**

SB231 affects the relationship between a homeowner association with maintenance and operational responsibilities for a development and lot owners in the development.

BG/sb