

LFC Requester:

Emily Hilla

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

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

Date Prepared: 03/10/2025

Check all that apply:

Bill Number: HB442

Original ☐

Correction ☐

Amendment ☐

Substitute ☒

Sponsor: Rep. Marian Matthews, Rep.
Cristina Parajón, Rep. Patricia
Roybal Caballero

**Agency Name and
Code Number:** 305 – New Mexico
Department of Justice

Person Writing

Analysis: Ben Lovell

Short MOBILE HOME RENT

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|------------------------------|------------------|
| FY25 | FY26 | | |
| | | | |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------------|------------------|
| FY25 | FY26 | FY27 | | |
| | | | | |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|----------------------|---------------------------------|------------------|
| Total | | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator's request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Substitute Synopsis

Section 1 amends the definitions section of the MHPA to specifically include manufactured homes in the definition of “mobile home” and “manufactured home park” in the definition of “mobile home park.” The Section also makes minor changes to definitions such as changing “his” to “the person’s.”

Section 2 adds a new section to the MHPA stating that after July 1, 2025, landlords can only raise the rent on a mobile home park space once per year. During the first year after July 1, 2025, any increase in rent would be capped at 3%. Starting July 1, 2026, any increases would be capped at 5% per year, except when based on “recommendations of the mobile home parks work group” or “the annual rate of inflation.”

Section 3: Section 3 clarifies that “a landlord” shall be responsible for maintaining exterior utility lines and imposes a new requirement on residents, stating that they “shall provide written notice to a landlord of interruption in utility service upon discovery...or as soon as practicable.”

Section 4: Section 4 increases the penalty for a landlord’s violation of the MHPA from \$500 to two times the monthly rent and expands the application of the penalty to any violation of the MHPA rather than the particular sections identified in the current MHPA. Section 4 (B) provides for a resident to abate rent by withholding \$150 dollars per day “beginning the day the violation is first observed by the resident until the violation is cured.” If the violation lasts for more than seven days, the resident is allowed to withhold \$250 per day until the violation is cured. Residents may only withhold rent after providing written notice to the landlord of the violation. Section 4 also makes violations of certain sections of the MHPA (47-10-19, 47-10-21 and 47-10-22) automatic violations of the NM Unfair Practices Act. The excepted Section 47-10-20 details violations and remedies for a landlord’s failure to provide utilities.

Section 5: Section 5 temporarily creates a mobile home parks work group, consisting of eight representatives appointed by the superintendent of regulation and licensing, in addition to the superintended themselves. The work group would be required to issue reports and develop recommendations periodically until its date of termination in 2027.

Section 6: Section 6 provides the effective date of July 1, 2025.

Original Synopsis:

Section 1 amends the definitions section of the MHPA to specifically include manufactured homes in the definition of “mobile home” and “manufactured home park” in the definition of “mobile home park.” The Section also makes minor changes to definitions such as changing “his” to “the person’s.”

Section 2 adds a new section to the MHPA stating that after July 1, 2025, landlords can only raise the rent on a mobile home park space once per year. During the first year after July 1, 2025, any increase in rent would be capped at 3%. Starting July 1, 2026, any increases would be capped at 5% per year.

Section 3 increases the penalty for a landlord’s violation of the MHPA from \$500 to two times the monthly rent and expands the application of the penalty to any violation of the MHPA rather than the particular sections identified in the current MHPA. It also would make violations of certain sections of the MHPA (47-10-19 through 47-10-22) automatic violations of the NM Unfair Practices Act.

Section 4 provides an effective date of July 1, 2025.

FISCAL IMPLICATIONS

N/A

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

A representative from the NMDOJ would have to serve on the new mobile home parks work group. It is unclear whether the workload from the group would be such that the NMDOJ would require additional funding.

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

A representative from the NMDOJ would have to serve on the mobile home parks work group. It is unclear how demanding this work would be, but it could possibly impact the existing workload of the agency.

ADMINISTRATIVE IMPLICATIONS

As above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Section 3 of this bill increasing the violation penalty to two times the monthly rent and making MHPA violations automatic UPA violations is similar but conflicting with the amendments to NMSA 47-10-23 proposed in HB 418. This bill would make the penalty apply to all violations of

the MHPA and keep the current “may” language allowing a court discretion in whether to impose the penalty.

HB 418 would keep the penalty applicable only to some MHPA violations (violations of Sections 47-10-19 through 7-10-22) as under current law but make the penalty mandatory by changing “may” to “shall.” That bill would also give the attorney general explicit jurisdiction to investigate and recover the same penalty as a tenant for any violations.

Related to HM 35, which would also create a work group on mobile home parks.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

N/A