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| LFC Requester: | Eric Chenier |
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**AGENCY BILL ANALYSIS
2015 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

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

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date February 11, 2015
Bill No: HB 380

Sponsor: Rep. Monica Youngblood
Short Homeowner Association
Title: Disclosures & Fees

Agency Code: Attorney General's Office
Person Writing Ismael Camacho, AAG
Phone: 575 526-2280 **Email** icamacho@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|------------------------------|------------------|
| FY15 | FY16 | | |
| | | | |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------------|------------------|
| FY15 | FY16 | FY17 | | |
| | | | | |
| | | | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY15 | FY16 | FY17 | 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 Attorney General’s Opinion nor an Attorney General’s Advisory Letter. This is a staff analysis in response to an agency’s, committee’s, or legislator’s request.

BILL SUMMARY

Synopsis:

HB 380 amends the definition sections in 47-16-2(L) by striking “a statement disclosing the existence and terms of any right of first refusal or other restraint on the free alienability of the lot” from the definition of “disclosure certificate” or “disclosure statement.”

HB 380 amends the definition sections in 47-16-2(L) by striking “a statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the association,” “the most recent regularly prepared balance sheet and income and expense statement, if any, of the association,” and, “the current operating budget of the association” from the definition of “disclosure certificate” or “disclosure statement.”

HB 380 amends the definition sections in 47-16-2(L) by striking “a statement describing any insurance coverage provided for the benefit of lot owners and the board of the association,” and “a statement of the remaining term of any leasehold estate affecting the association and the provisions governing any extension of renewal thereof” from the definition of “disclosure certificate” or “disclosure statement.”

HB 380 defines Section 47-16-12(G) (Sale of Lots—Disclosure Certificate) “reasonable charges” to mean “a charge not to exceed one hundred fifty dollars” for which the association may impose a preparation fee for the required disclosure certificate under the Act (Homeowners Association Act).

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.

SIGNIFICANT ISSUES

HB 380 no longer requires the following statements: a statement disclosing the existence and terms of any right of first refusal or other restraint on the free alienability of the lot; a statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the association; the most recent regularly prepared balance sheet and income and expense statement, if any, of the association; and, the current operating budget of the association from the definition of “disclosure certificate” or “disclosure statement.”

HB 380 no longer requires “a statement describing any insurance coverage provided for the benefit of lot owners and the board of the association,” and “a statement of the remaining term of any leasehold estate affecting the association and the provisions governing any extension of renewal thereof.”

These stricken statements are not replaced with any similar statements. Thus, “disclosure certificate” or “disclosure statement” no longer require to disclose the existence and terms of any right of first refusal or to disclose any other restraint on the free alienability of the lot. An association’s lot owner would no longer receive a statement of the association’s amount of reserves for capital expenditure, the most recent regularly prepared baance sheet and income expense.

An association’s lot owner may not be informed of any leasehold estate that affects the association and of the provisions governing any extension of renewal. HB 380 strikes this disclosure statement from the definitions contained in 47-16-2(L).

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

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