SB 244 - Dispute Resolution-Amendment to the HOA Act

Report on SB 244 from the Senate Public Affairs Committee on Feb. 14, 2017 printed by permission from the authors.

Be informed, know your rights!

A new senate bill is passing through the 2017 legislature that will affect an estimated 275,000 homeowners living in associations in New Mexico, and few homeowners have been privileged to its consequences or construction.

SB 244 still misses the point on protecting homeowner rights.

- there is still no affordable access to justice. The NM Attorney Generals Office will not hear HOA disputes, and resolution dispute is less than successful; forcing matters into expensive litigation. Is this a law to keep attorneys in business and clog up the courts?
- there are no substantial penalties in the law. Abusers are subject to no consequences; there is no reason to comply. What benefit is a law with no enforcement-- other than a waste of paper?
- existing association bylaws, and other governing docs may be invalidated by the new law. Members moved into their neighborhoods with established governing docs. Why should the new law supercede the constitutional voting rights of members to change their governing documents?
- the addition of a categorized list of records does not clearly support the inspection of <u>all</u> financial and other records regardless of whether association bylaws state otherwise.

 Either all means all or it doesn't. Why can't the bill state this plainly?
- it avoids a definition of private information that can restrict inspection of any association records alleged to contain "sensitive data." Why should this requirement reside only in the public sector, and not in the private sector?
- it allows for compilations as a substitute for existing audits and reviews. Why would the legislature be disposed to lower standards of financial oversight?
- there is a dispute between management companies and real estate companies over how much to charge homeowners for statements. The management companies are also using the bill to dispute licensing. What purpose does the inclusion of management and real estate business have in a "homeowner protection" law?

The new bill fails to protect the association homeowner on these and other critical issues and if not changed before it becomes law, will send more homeowners into the courts for resolve.