

LFC Requester:

Noah Montano

AGENCY BILL ANALYSIS - 2026 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: 1/27/2026

Check all that apply:

Bill Number: HB 17

Original Correction
Amendment Substitute

Sponsor: Rep. Andrea Romero

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

Person Writing

Short Title: Accessory Units in Certain Areas

Analysis: Lisa Brown

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	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

Synopsis: HB 17 proposes amendments to NMSA 1978, Section 3-21-1 that could improve housing accessibility and affordability by requiring zoning authorities to allow accessory dwelling units in residential zoning districts as a permitted use, and allowing multifamily housing in commercial zoning districts and areas near major public transit locations as a permitted use. It additionally adds two new sections to Chapter 3, Article 21 NMSA 1978.

Section 1 grants zoning authority to counties and municipalities for the purpose of promoting health, safety or the general welfare. Subsections D and E provide a process for a village, community, neighborhood or district to declare by ordinance that it is a “traditional historic community” and that it shall be excluded from “the extraterritorial zone and extraterritorial zoning authority of any municipality whose extraterritorial zoning authority extends to include all or a portion of the traditional historic community and shall be subject to the zoning jurisdiction of the county in which the greatest portion of the traditional historic community lies.” New material requires zoning authorities to accommodate accessory dwelling units in residential zoning districts as a permitted use and allow multifamily housing in commercial zoning districts and areas near major public transit locations as a permitted use.

Section 2 defines an accessory dwelling unit as an independent living unit with separate ingress and egress on a property with a residential use, and includes permanent provisions for sleeping, cooking, and sanitation. Subsection B requires a zoning authority to allow “the construction of at least one accessory dwelling unit for each lot within zoning districts that allow residential uses regardless of the size of the lot” as a permitted use. Additional provisions of Section 2 set forth what a zoning authority must allow and limits what it may require regarding regulation of accessory dwelling units. Finally, Subsection G states, “[a] local ordinance, policy, regulation or neighborhood or homeowner association restriction implemented after the effective date of this 2026 act shall not be a basis for a delay or a denial of a building permit for an accessory dwelling unit.”

Section 3 relates to multifamily housing, setting forth where a zoning authority must permit its construction, and stating that it may be constructed with a minimum density of ten dwelling units per acre; a minimum height of thirty-six feet; and at least one off-street parking space for each unit in addition to required accessible parking spaces.

FISCAL IMPLICATIONS

None for this office.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

None noted.

ADMINISTRATIVE IMPLICATIONS

None noted.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None found.

TECHNICAL ISSUES

None noted.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS

N/A