

LFC Requester:	Hilla
-----------------------	--------------

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/28/26 *Check all that apply:*
Bill Number: HB 17 Original Correction
 Amendment Substitute

Sponsor: Romero **Agency Name and Code:** Municipal League (ML)
Short Title: Accessory Dwelling Units in Certain Areas **Number:** _____
Person Writing: Alison Nichols
Phone: 505-470-3931 **Email:** anichols@nmml.org

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		Minimal	Minimal	Minimal	Recurring	Municipalities

(Parenthesis () Indicate Expenditure Decreases)

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

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

FISCAL IMPLICATIONS

The fiscal impact to municipalities would likely be minimal. Municipalities would incur some limited additional administrative and staff costs to update zoning ordinances and plans and administer the provisions of HB17.

The provision of HB17 could also lead to some increased demand for infrastructure and services, creating an additional indirect fiscal impact to municipalities.

SIGNIFICANT ISSUES

HB 17 substantially preempts local zoning authority by shifting discretionary land-use decisions into state-mandated permitted uses with prescribed density, height, and parking standards. Municipalities currently enact ordinances and have local planning and zoning boards to manage permitting processes and decisions. The bill limits the ability of local elected officials and their constituents to tailor zoning regulations to community needs, infrastructure capacity, and adopted comprehensive plans, and reduces the role of public input in land-use decisions. While municipalities support increased housing options, HB 17 would replace locally driven planning with a one-size-fits-all approach that weakens local decision-making and long-standing local land-use practices.

Local government oversight of zoning and permitting of accessory dwelling units and multifamily housing—in alignment with other zoning and permitting processes—is important to properly address and balance local community needs.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS