

LFC Requester: _____

AGENCY BILL ANALYSIS - 2026 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: 1/27/2026 *Check all that apply:*
Bill Number: HB122 Original Correction
 Amendment Substitute

Sponsor: _____ **Agency Name and Code:** Municipal League (ML)
Short Title: _____ **Number:** _____
Person Writing: Rebecca Martinez
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

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

BILL SUMMARY

Synopsis:

HB122 proposes to require that all municipalities within class A counties, regardless of population, obtain county commission approval prior to annexing territory.

FISCAL IMPLICATIONS

The fiscal impact of obtaining county commission approval is indeterminate.

SIGNIFICANT ISSUES

This bill proposes adding an additional, unnecessary approval requirement to an already thorough and extensive annexation process. Currently, state law provides three annexation methods by which unincorporated territory may be added to municipalities. Each of the methods ensures that a variety of public input by residents, independent board (Board of Arbitration or Municipal Boundary Commission) review, and multi governmental communication is obtained prior to any territorial expansion.

Under the Arbitration method (3-7-5 to 3-7-10 NMSA 1978) the decision to annex is made by a seven-member Board of Arbitration: three members representing the territory proposed to be annexed, three members representing the municipality proposing the annexation, and a seventh member who represents neither party and does not live in the municipality or the territory under consideration. A municipality may adopt a resolution of intent to annex and files the resolution with the County Clerk. The three members representing the territory are elected in a special election conducted by the County Clerk; the three members representing the municipality are appointed by the governing body; and together the six members meet to select the seventh member. The final determination of the Board of Arbitration must be certified within sixty days. If the Board of Arbitration decides that all or part of the territory should be annexed, it notifies the Municipal Clerk and the County Clerk, and the municipal governing body passes an ordinance making the annexation approved by the Board. If the Board decides the territory should not be annexed, the municipality may not file a new resolution to annex that territory until two years have passed.

The Municipal Boundary Commission method (3-7-11 to 3-7-16 NMSA 1978) of annexation may be used either by the municipality or by landowners of the territory proposed to be annexed. After receipt of a petition, as authorized in 3-7-11 NMSA 1978, the Municipal Boundary Commission meets within 60 days, in the municipality where the annexation is proposed. The Municipal Boundary Commission consists of three members appointed by the governor and is contacted through the Secretary of Finance and Administration. Within 10 days after the Municipal Boundary Commission makes its determination to annex or not, the Secretary of Finance and Administration files certified copies of the Commission's order in the office of the Municipal Clerk and in the office of the County Clerk. A copy is also transmitted to the Secretary of Taxation and Revenue. Within 30 days after the order of the Municipal Boundary Commission is filed, any owner of land within the territory proposed to be annexed may file for review of the order by the district court.

The petition method of annexation may be used only by the owners of land within the territory

proposed to be annexed (3-7-17 NMSA 1978). A petition signed by the owners of a majority of the number of acres in the territory proposed to be annexed and accompanied by a map showing the external boundary of the territory and its relationship to the existing municipal boundary, is presented to the municipal governing body. The governing body either annexes the territory by ordinance or rejects the annexation by ordinance. If the governing body annexes the territory, a copy of the ordinance with a plat of the annexed territory is filed in the office of the County Clerk. Copies are also sent to the Secretary of Finance and Administration and the Secretary of Taxation and Revenue. Within 30 days after the filing of the copy of the annexation ordinance in the office of the County Clerk, any person owning land within the annexed territory may appeal to the district court questioning the validity of the annexation proceedings.

Necessitating additional county commission approval for municipalities in class A counties after successful completion of any one of the current annexation methods detailed above, effectively undermines landowners' ability to petition or advocate for annexation of their property into the boundaries of a municipality, as a commission can deny the annexation,

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