

LFC Requester:	Kathleen Gygi
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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: 1/26/2026 *Check all that apply:*
Bill Number: HB 138 Original Correction
 Amendment Substitute

Sponsor: Andrea Romero **Agency Name** 992 – New Mexico Mortgage
Short ZONING LOT SIZE **and Code** Finance Authority
Title: REQUIREMENTS **Number:** (Housing New Mexico | MFA)
Person Writing Robyn Powell
Phone: 505-757-2271 **Email** rpowell@housingnm.org

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
NA	NA	NA	NA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
NA	NA	NA	NA	NA

(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	NA	NA	NA	NA	NA	NA
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(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: SB 131
 Duplicates/Relates to Appropriation in the General Appropriation Act: NA

SECTION III: NARRATIVE

BILL SUMMARY

House Bill 138 amends **NMSA 3-21-1 Zoning—Authority of County of Municipality** to prohibit counties and municipalities from requiring housing from sitting on a certain minimum lot size in residential zones.

A county or local municipality may still regulate and restrict:

- Height and number of stories
- Percentage of the lot that may be occupied
- The size of yards, courts, and other open space
- Density of population
- Location and use of buildings, structures, land for trade, industry, residence or other purposes

If this zoning statute conflicts with other state statutes and ordinances regarding a property that is not residential, the stricter of the two will take precedence.

FISCAL IMPLICATIONS

There are no fiscal implications to the New Mexico Mortgage Finance Authority.

SIGNIFICANT ISSUES

House Bill 138 may increase the affordable housing supply by eliminating minimum lot sizes. Higher density zoning may give access to potential low- and moderate-income households by producing lower land costs for the development of affordable housing supply.

This type of zoning may lead to higher density and overcrowding concerns for current residents. On the other hand, allowing high density development can reduce urban sprawl, cut down on the impact of commuting, and provide residents with access to more commercial amenities including grocery stores.

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**