

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: _____ *Check all that apply:*
Bill Number: HB 138 Original x ___ Correction ___
 Amendment ___ Substitute ___

Sponsor: Andrea Romero **Agency Name and Code** Municipal League (ML)
Short Title: _____ **Number:** _____
Person Writing Rebecca Martinez
Phone: 5056903278 **Email** rmartinez@nmml.org

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		Indeterminate	Indeterminate	Indeterminate	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: House Bill 138 proposes to prohibit local governments from imposing lot size requirements for residential properties.

FISCAL IMPLICATIONS

The fiscal impact on municipalities is indeterminate. Municipalities could incur some administrative and staff costs to update zoning regulations and plans and to administer the provisions of HB138. The provision of HB138 could also lead to some increased demand for infrastructure and services, creating an additional indirect fiscal impact to municipalities.

SIGNIFICANT ISSUES

HB 138 substantially preempts local zoning authority by eliminating their discretionary land-use decisions on residential lot size.

Municipalities currently enact ordinances and have local planning and zoning boards to manage land use decisions. This 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 138 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 land use, in alignment with comprehensive planning 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