

LFC Requester:

Ismael Torres

### 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:** 1/27/26

*Check all that apply:*

**Bill Number:** HB 165

Original  Correction   
Amendment  Substitute

**Sponsor:** Reps. Linda Serrato, Meredith A. Dixon

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

**Short Title:** Payment of Certain IRB Special Assessments

**Person Writing Analysis:** Daniel Ahrens

**Phone:** 505-645-5980

**Email:** Fir.request@nmdoj.gov

#### 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)**

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(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:** This bill makes minor amendments to the Improvement Special Assessment Act (ISAA), NMSA 1978, §§ 4-55D-1 to -10 (2023). As written, the ISAA provides a financing mechanism for property improvements for resilience, energy efficiency, renewable energy, and water conservation. Section 4-55D-4. Eligible properties are privately-owned properties with five or more dwelling units. Section 4-55D-2(F). Under the ISAA, owners can finance such improvements from a capital provider by having the county impose a special assessment lien on the property that runs with the land. Section 4-55D-5. This bill amends the ISAA to apply to property leased under an industrial bond, and clarifies that a local government shall not pay assessments under the ISAA.

**Section 1** amends the definition of “eligible property” at NMSA 1978, Section 4-55D-2(F), and adds definitions for “industrial revenue bond lease” and “lessee,” such that “eligible property” would include not only private property, but property leased under the Industrial Revenue Bond Act or County Industrial Revenue Bond Act. Section 1(F)(2), (H), I). The definition of eligible property would not include all property under these two acts, but, as with privately-owned eligible property, “commercial, industrial, agricultural or multifamily real property with five or more dwelling units.” Section 1(F)(2).

**Section 2** amends Section 4-55D-5 of the ISAA to clarify that, where an assessment is on private property, the owner pays, but where it is on a property leased under the Industrial Revenue Bond Act, it is the lessee’s responsibility to pay the assessment. It further clarifies that a local government shall never pay for a special assessment.

**Section 3** amends Section 4-55D-7 of the ISAA to explain that a county or municipality shall not be liable for the debt of special assessment financing.

**Section 4** amends Section 4-55D-10 of the ISAA to include the term municipality in its clause explaining that nothing in the ISAA shall affect the full, faith and credit of a county or municipality.

**FISCAL IMPLICATIONS**

N/A

## **SIGNIFICANT ISSUES**

None.

## **PERFORMANCE IMPLICATIONS**

None.

## **ADMINISTRATIVE IMPLICATIONS**

None.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

## **TECHNICAL ISSUES**

In some sections, the bill refers to “local governments,” §§ 2(D), 2(E), which is a defined term meaning “a municipality, county or other general function governmental unit established by state law.” Section 4-55D-2(H). In other places, it refers only to “count[ies]” or “count[ies] or municipalit[ies].” Sections 2; 3(B); 4. It may merit review to determine the extent to which this difference is intentional, and where “local governments” as opposed to “count[ies] or municipalit[ies]” may be a more useful term.

## **OTHER SUBSTANTIVE ISSUES**

None.

## **ALTERNATIVES**

None.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

## **AMENDMENTS**

None.