

<b>LFC Requester:</b>	<b>Ismael Torres</b>
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**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 02/17/2026 *Check all that apply:*  
**Bill Number:** HM62 Original  Correction   
 Amendment  Substitute

**Sponsor:** Representative Small **Agency Name and Code** Tourism 418  
**Short Title:** STUDY TAX, RENTALS, INFRASTRUCTURE & FUNDING **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	NA		

**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
<b>Total</b>		\$75-\$100	NA	\$75-\$100	Nonrecurring	GF

(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 Memorial 62 (HM62) requests that the Taxation and Revenue Department (TRD), in coordination with the Tourism Department (NMTD), the NM Municipal League and the NM Association of Counties, convenes a task force for a comprehensive study of the various issues related to short-term rentals. It also requests the task force submit findings and recommendations to the appropriate interim legislative committee by October 1, 2026.

Included as part of the study are the following:

- Feasibility and fiscal impacts of centralized collection and remittance of Lodgers' Tax and Gross Receipts Tax related to short-term rentals, including implications for rural and under-resourced communities
- A uniform framework for short-term rental property classification to balance residential property protections with appropriate contributions and provide consistency across all counties
- Broader economic contributions of short-term rentals to workforce development, small business opportunities and the entrepreneurship ecosystem in New Mexico
- Potential for centralized tax revenue structures to enhance funding for rural infrastructure, public safety, affordable housing and essential government services.

### **FISCAL IMPLICATIONS**

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

As a memorial, there is no appropriation attached to HM62. To most accurately assess the broader economic contributions of short-term rentals, the agencies associated with the memorial would need to commission an economic impact study conducted by a neutral third-party contractor. Based on similar one-time economic impact studies conducted on a single segment of the tourism industry, NMTD estimates that this cost will be between \$75,000 and \$100,000.

### **SIGNIFICANT ISSUES**

Short-term rentals play a key role in the tourism industry in New Mexico, particularly in rural areas where traditional lodging options are limited. Short-term rentals have been included in lodgers' tax collection since January 2020. For communities with a disproportionate percentage of short-term rentals to traditional lodging, lodgers' tax on short-term rentals provides much-needed revenue for promotion and marketing, which supports their overall economic health.

As of December 2025, there were 19,236 short term rental listings for New Mexico (Airbnb and VRBO combined), the majority of which were standalone houses (63%). Private or shared rooms

in owner-occupied housing accounts for approximately 7.5% of rental listings. Short term rentals generated \$555.4 million in rental revenues in 2025 (source: KeyData). Approximately 12% of visitors to New Mexico reported using a short-term rental for their primary lodging in 2024 (source: SMARInsights New Mexico Visitor Profile).

States across the US, and communities within New Mexico, have struggled to determine best practices of taxing and regulating short-term rentals in such a way as to maximize positive economic impact while reducing potential community harm. NMTD recognizes both the economic importance of varied lodging options for the tourism economy, as well as the need for affordable workforce housing in communities which rely heavily on visitor spending. Action taken on short-term rental taxation policies should be collaborative in nature, to include the stakeholders identified in HM62.

## **ADMINISTRATIVE IMPLICATIONS**

NMTD staff will need to dedicate significant time and effort to ensure that the requests in HM62 are met with the appropriate level of expertise and consideration.

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

Related to 2025 HM52.

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

## **AMENDMENTS**