

LFC Requester:	
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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: 2/7/26 *Check all that apply:*
Bill Number: SB131 Original Correction
 Amendment Substitute

Sponsor: Maestas / Berghmans **Agency Name and Code:** Municipal League (ML)
Short Title: Residential Apartments in Commercial Zones **Number:** _____
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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		Indeterminate, likely minimal	Indeterminate, likely minimal	Indeterminate, likely minimal	Recurring	Municipalities

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

FISCAL IMPLICATIONS

The fiscal impact to municipalities would likely be minimal. Municipalities would incur some costs to administer the provisions of SB131, such as delegating hearing officers.

The provision of SB131 could also lead to some increased demand for infrastructure and services, creating an additional indirect fiscal impact to municipalities.

SIGNIFICANT ISSUES

Senate Bill 131 substantially preempts local zoning authority by shifting zoning, permitting, and land-use decisions from locally adopted ordinances and planning processes to state-mandated requirements. SB131 infringes on local decision-making in the following ways:

- Eliminates the ability to regulate building height and number of stories.
- Requires residential apartments to be allowed in commercial zones.
- Mandates duplexes and townhouses be allowed in residential zones.
- Must allow one additional dwelling unit within each lot in single-family zones.
- Requires small-scale commercial development to be allowed in residential zones.
- Prohibits municipalities from setting minimum parking requirements.
- Shifts zoning appeals from local zoning bodies to district court.

Municipalities currently enact ordinances and have local planning and zoning boards to manage permitting processes and decisions. The 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 planning, zoning, and land-use decisions. SB131 would replace locally driven planning with a one-size-fits-all approach that weakens local decision-making and long-standing local zoning and permitting practices.

Local government oversight of zoning and permitting is also critical for public safety. For example, city planners use zoning density requirements and parking requirements to plan and manage traffic flow and congestion. Unplanned increases in traffic congestion are dangerous for drivers, pedestrians, and emergency services when responding to calls. Local government review and permitting also ensures public infrastructure remains operational. For example, water and wastewater systems are designed to accommodate a specific level of demand. Unplanned increases in density, which SB131 would likely cause, place strain on existing systems, resulting in added maintenance costs and/or the need for costly system upgrades.

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