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FISCAL IMPACT REPORT

BILL NUMBER: House Bill 192

SHORT TITLE: No Foreign Corporation Purchase of Homes

SPONSOR: Montoya/Cullen

LAST ORIGINAL
UPDATE: _____ **DATE:** 2/14/26 **ANALYST:** Gygi

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Unspecified	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency or Agencies Providing Analysis
New Mexico Mortgage Finance Authority
Workforce Solutions Department

SUMMARY

Synopsis of House Bill 192

House Bill 192 (HB192) prohibits a foreign corporation, including an in-state subsidiary of the foreign corporation, from purchasing single-family residential properties to make them into an investment rental property in New Mexico. These transactions are prohibited prior to July 1, 2036. The bill defines a foreign corporation as a corporation that is organized under the laws of another state or a foreign country.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

HB192 does not appropriate state funds or generate revenue for the state. Because the bill does not assign responsibility for monitoring or enforcement to any agency, there is no direct fiscal impact on the operating budgets of any agency submitting analysis. As the Workforce Solutions Department (WSD) states:

It is not clear how this would be enforced, or how any agency could become aware if a foreign corporation purchased a single-family residential. Presumably there would need to be funding to enable both enforcement and some sort of system to alert the enforcement agency of a violation.

SIGNIFICANT ISSUES

In January 2026, the federal administration announced an Executive Order, “Stopping Wall Street from Competing with Main Street Homebuyers,” that instructs federal agencies to prevent large investors from purchasing single-family homes. In Florida, Texas, and Utah, legislation has passed to prohibit corporations of certain countries from acquiring property driven by concerns pertaining to national security, infrastructure, and affordability for residents.

WSD states it “is not aware of information on the extent or impact of out-of-state corporate ownership of housing. A 2024 GAO report does not highlight New Mexico as a state strongly affected by institutional investor housing purchases – states with heavy impact were GA, FL, NC, IN, TN, AZ, NV.”

HB192 potentially addresses the state’s housing affordability and supply crisis by making more homes available for families and individuals, particularly renters and first-time homebuyers. According to the New Mexico Mortgage Finance Authority (MFA), it would do so by limiting competition from institutional investors who often outbid individual homebuyers and discouraging absentee ownership. Speculative investment in residential properties can lead to inflated prices and housing bubbles. Further, institutional investors may target under resourced communities and displace vulnerable populations.

However, MFA also identifies potential drawbacks to placing limits on institutional buyers. For example, reduced demand could lead to lower home prices, negatively impacting homeowners looking to sell or refinance. Because institutional buyers often convert purchased home into rentals and may fund new housing developments, HB192’s prohibition might worsen supply issues and potentially increase rental prices. It may also prohibit nonprofit corporations from investing in affordable housing.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Senate Bill 77 from the 2025 legislative session which would have prohibited a single-family residential property from being purchased by hedge funds, private equity firms, corporations, and other businesses.

TECHNICAL ISSUES

There are no definitions, which raises multiple questions of interpretation, scope, and fiscal impact. In particular, HB192 does not indicate who would be responsible for monitoring or enforcing the prohibition. Further, the rationale for a 10-year sunset on the prohibition is unclear.