FISCAL IMPACT REPORT

SPONSOR: Maes   DATE TYPED: 03/10/03   HB _____

SHORT TITLE: Ordinances Raising Housing Construction Costs   SB   474 _____

ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	**FY04**	**FY03**	**FY04**		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

<u>Responses Received From</u>
Regulation and Licensing Department
Attorney General's Office

SUMMARY

<u>Synopsis of Bill</u>

Senate Bill 474 amends Section 3-17-1 NMSA 1978 to make it unlawful for the governing body of a county or a municipality to pass any ordinance that unreasonably increases the cost of low-income or affordable housing.

<u>Significant Issues</u>

A number of municipal and county ordinances could conceivably be construed as leading to increases in the cost of affordable or low-income housing. The bill provides that governing bodies "shall not adopt an ordinance that will *unreasonably* increase" the cost. Even with this qualifier, it may be difficult to identify an offending ordinance. The Attorney General's office believes the "unreasonably increase" standard may be void as unconstitutionally vague.

The Attorney General's office also points out that there may be enforcement issues because individuals who qualify for low-income and affordable housing have less access to legal resources. The bill does not provide any details on how the provisions of the bill would be enforced.

LP/prr