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FISCAL IMPACT REPORT

BILL NUMBER: CS/House Bill 110/HRDLC

SHORT TITLE: Housing Development Data Reporting

SPONSOR: House Rural Development, Land Grants and Cultural Affairs Committee

LAST UPDATE: 2/4/2026 **ORIGINAL DATE:** 1/28/2026 **ANALYST:** Gygi

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
EDD		No fiscal impact	No fiscal impact	No fiscal impact		
RLD		No fiscal impact	No fiscal impact	No fiscal impact		
CID		No fiscal impact	No fiscal impact	No fiscal impact		
Counties and Municipalities		Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal	Recurring	

Parentheses () indicate expenditure decreases.
*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Economic Development Department
Municipal League
Regulation and Licensing Department
Workforce Solutions Department

Agency That was Asked for Analysis but did not Respond
Department of Finance and Administration
New Mexico Counties
New Mexico Mortgage Finance Authority

SUMMARY

Synopsis of the HRDLC Committee Substitute for House Bill 110

The House Rural Development, Land Grants and Cultural Affairs Committee substitute for House Bill 110 (CS/HB110/HRDLC) requires Class A counties and municipalities with a population greater than 30 thousand to publish quarterly reports on their websites regarding application totals, approval rates and processing times for residential land use and building permits, as well as staffing numbers. The covered counties and municipalities must also submit the report to the Economic Development Department (EDD) and the Legislative Finance Committee (LFC). The reporting requirements would be limited to residential development

projects with more than three units.

The substitute bill specifies the following metrics to be collected and reported quarterly regarding residential land use applications and building permits:

1. Number of applications and number of dwelling units in each application.
2. Number of applications approved and denied during the immediately preceding quarter and number of approved and denied dwelling units provided for in those applications.
3. Number of business days elapsed for each application during the immediately preceding quarter, from the date each plan was submitted, the date it was deemed complete, and the date it was approved or denied.
4. Number of new single-family and multifamily building permits issued, and number of planned dwelling units within all multifamily residential buildings for which permits were approved.
5. The building permit processing time for permits issued during the immediately preceding quarter, including the date each application was submitted, deemed complete, and issued.
6. Number of full-time equivalent planning and land-use staff.
7. A narrative section if required.

As used in the substitute bill, "residential land use application" means a site plan, development plan, rezoning plan, master plan, subdivision plat or equivalent for a residential project of more than three units.

The effective date of this bill is July 1, 2026.

FISCAL IMPLICATIONS

CS/HB110/HRDLC does not include an appropriation. There are no fiscal implications for EDD, which states it can handle the reporting requirements with current staff and software. There is no significant fiscal impact on the Construction Industries Division (CID) or other divisions of the Regulation and Licensing Department. The Workforce Solutions Department (WSD), which administers the Office of Housing, reports no fiscal impact.

In its analysis for the original HB110, the Municipal League states that local governments would incur additional costs to stand up appropriate systems to support the required quarterly reporting and, therefore, the bill could create an unfunded mandate for local governments. However, LFC analysis indicates the Class A municipalities and counties covered by the substitute bill likely already collect the data specified. These locations include: the municipalities of Alamogordo, Albuquerque, Carlsbad, Clovis, Hobbes, Las Cruces, Rio Rancho, Roswell, Santa Fe, and the South Valley; counties of Bernalillo, Dona Ana, San Juan, Sandoval, and Santa Fe.

SIGNIFICANT ISSUES

A recent article published by Pew Charitable Trusts identifies regulatory barriers as a primary contributor to New Mexico's housing crisis.¹ According to Pew, in New Mexico between 2017

¹ <https://www.pewtrusts.org/en/research-and-analysis/articles/2025/01/21/restrictive-regulations-fuel-new-mexicos->

and 2024:

- Homelessness increased 87 percent, 47 percent faster than the national average.
- Median rents increased 60 percent compared to 27 percent nationally.
- The average cost of a home increased 70 percent, far outpacing wage growth.

The Office of Housing reported in its analysis of a similar bill in 2025 there has been underproduction of housing in the state for at least 15 years, which is also driving up costs. Despite high demand and low supply of available housing, as of October 2024, according to Pew, New Mexico was one of just five states with a decline in single-family permit issuance year-over-year. Catching up is difficult when developers and homebuilders face lengthy permitting and plan approval processes.

According to the New Mexico Association of Homebuilders (NMHBA), regulatory costs and gross receipts tax (GRT) account for up to 30 percent of the price of a new home, making housing less attainable. An average-priced new NM home (\$441 thousand) includes over \$35 thousand in GRT taxes, approximately 200 percent of the tax burden of surrounding states. A 2024 NMHBA survey of home builders found that each day of delay in new home construction adds more than \$600 to the final cost—about \$18 thousand for a one-month delay. Further, open-ended delays could result in projects stalling or being abandoned.

EDD also points out that whereas robust workforce housing provides a competitive advantage in economic development, “housing permitting delays decrease market competitiveness in recruiting and retaining both skilled labor and employers to market.” On the other hand, “efficient housing development will help close the housing gap and accommodate projected workforce growth.”

Role of Data Transparency and Best Practices

Data transparency can potentially identify inefficiencies and improve and shorten approval times, thereby also potentially reducing costs that otherwise are passed on to homebuyers. CS/HB110/HRDLC provides a common set of reporting metrics that may help make comparisons across multiple jurisdictions to identify bottlenecks and cost inefficiencies. Although some municipalities and counties may report review and approval times on their websites, reporting is fragmented.

However, data collection and reporting alone are not sufficient to streamline processes that are inflating housing costs and timelines. Other states have passed legislation to promote predictable timelines for plan review, permitting, and inspections at all levels of government. These emerging best practices include administrative approvals, limiting duplicative public hearings and appeals unrelated to objective compliance standards, and using modern tools such as electronic and AI-assisted plan review, virtual inspections, drones, and third-party review and permitting.²

For example, Arizona and Oregon created preapproved plan systems to expedite development.³

[housing-shortage](#)

² Source: NMHBA.

³ Source: Pew review of 2025 housing reform legislation <https://www.pew.org/en/research-and-analysis/articles/2025/09/15/state-legislatures-make-bipartisan-breakthroughs-on-policies-that-promote-housing>

Arizona’s Senate Bill 1529 requires municipalities to establish standard preapproved housing design plans for single-family homes, duplexes, triplexes, and accessory dwelling units. Oregon’s House Bill 2258 allows the state to preapprove residential building plans for structures with up to 12 homes and requires cities to auto-approve these structures in most locations.

PERFORMANCE IMPLICATIONS

In its analysis of the original HB110, RLD comments that the data collection mandated by CS/HB110/HRDLC may assist the CID with evaluating current residential building trends. “Licensees may benefit from the data by improving contractor expectations for long-term project planning of residential developments.”

WSD states that if the department: “were to continue to have the Office of Housing, this bill would have a strong positive impact on DWS’s ability to ensure that state housing funds are deployed to communities that can use them efficiently, and the Department’s ability to provide technical assistance or recruitment services to local governments to improve their efficiency.”

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

CS/House Bill 110/HRDLC relates to 2025’s House Bill 571-Building Housing Communities, which proposed a statewide program to address regulatory barriers impacting the availability and affordability of housing. The program was modeled on Colorado’s Proposition 123.

OTHER SUBSTANTIVE ISSUES

In its analysis for the original HB110, the Municipal League commented the bill does not identify how the collected and reported data will be used to improve housing outcomes or inform specific policy decisions. EDD currently does not have a statutory role in housing production or homebuilding regulation, but is designated as the recipient of the quarterly reports. The information required by the bill would be more useful if aggregated, analyzed, and reported on a dashboard, as other states have done.

The bill does not specify performance measures or designate any state agency as accountable for improved outcomes. EDD could consider implementing targets for the metrics specified in the bill. For example, the performance measures for RLD’s Construction Industries Division (CID)⁴ includes the three relevant measures in the table below.

Outcome	Target
Percent of commercial plans reviewed within ten working days	86 percent
Percent of residential plans reviewed within five working days	95 percent
Percent of all construction inspections performed within three days of inspection request	85 percent

⁴ The purpose of the construction industries program is to provide code compliance oversight; issue licenses, permits and citations; perform inspections; administer exams; process complaints; and enforce laws, rules and regulations relating to general construction standards to industry professionals.

ALTERNATIVES

Other states have created incentives for local governments to incorporate efficiencies and best practices into their review and approval processes. For example, Colorado’s Proposition 123⁵ established state-defined best practices around land use and zoning to support adoption in municipalities. It also established special pools of funding for municipalities that adopt these best practices.

In 2025, New Mexico’s House Bill 571 (HB571) proposed creating the Building New Mexico program and certification within the Department of Finance and Administration (DFA). Following the Colorado model, the program would have created a statewide best-practices framework and incentive framework for anticipated future state funding.

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⁵ <https://oedit.colorado.gov/proposition-123-colorado-affordable-housing-financing-fund>