

<b>LFC Requester:</b>	<b>Noah Montano</b>
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**AGENCY BILL ANALYSIS  
2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.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}*

*Check all that apply:*

**Original**  **Amendment**   
**Correction**  **Substitute**

**Date** February 14, 2025

**Bill No:** HB 335 [HCEDC Sub.]

**Sponsor:** Rep. Borrego  
**Short Title:** Licensing Time Frames Transparency Act  
**Agency Name and Code Number:** Regulation and Licensing Department - 420  
**Person Writing:** Kevin Graham  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	None	None

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None	None	none

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	None	12	None	12	Nonrecurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: n/a

Duplicates/Relates to Appropriation in the General Appropriation Act: n/a

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

Synopsis of Amendments made to Original Bill: House Commerce and Economic Development Committee Substitute for House Bill 335 (Sub.HB335)

As compared to the original House Bill 335, Sub.HB335 does the following:

SECTION 2, page 2, line 5, adds “or any other entity that is processing land use permissions” to the definition for “Agency”.

SECTION 2, page 2, line 7, adds to the definition of application “regardless of application completeness”.

SECTION 2, page 3, lines 3-10, redefines “permission” to mean any building permit as defined by the regulation and licensing department; provided, however, that “permission” does not include governmental authorizations involving the management of educational, charitable or penal institutions.”

SECTION 2, page 3, line 15, deletes the word “completed” from “completed application” for the definition of total pending time frame.

SECTION 2, page 3, line 19, deletes the word “completed” from “completed application” for the definition of total time frame.

SECTION 3, page 3, lines 23-25, and page 4, lines 1-2, changes the reporting requirement from quarterly to semi-annually with the new reporting days as the last day of January and July and expanding where a reporting parties semi-annual report from being required to be published on the website for the Construction Industries Division (CID) of the Regulation and Licensing Department (RLD) to allowing for reports to be published on the websites of an “other appropriate agenc[y]”.

SECTION 3, page 4, adds a new subsection F requiring each semi-annual report to include the total number of residential dwelling units permitted by each jurisdiction issuing a report.

#### Synopsis of Sub.HB335:

Sub.HB335 creates a new act titled the “Licensing Time Frames Transparency Act” that requires the CID and “any agency of a county, city or other local entity that has been expressly delegated authority to issue a permission that would otherwise be issued by the CID, or any other entity that is processing land use permissions” to track all applications the agency receives for building permits and, every six (6) months, to publish a report of the following information:

1. A list of each type of building permit the agency is required or authorized to issue (with a citation to the statute and rule requiring or authorizing each type of permit);
2. The number of final agency actions taken on each type of building permit during

- the reporting period;
3. The average time frame, median time frame and maximum time frame from receipt of an application for a building permit until final agency action is taken for each type of permit;
  4. The average pending time frame and maximum pending time frame from receipt of an application until final agency action is taken for each type of permit;
  5. The number of applications for each type of permit submitted prior to the end of the reporting period, for which final action has not been taken; and
  6. The total number of dwelling units permitted by the jurisdiction.

On or before the last day of January and July of each year, each agency shall submit the required reports to the RLD or other appropriate agency for publication on the department's website.

The effective date for Sub.HB355 is set as January 1, 2026.

## **FISCAL IMPLICATIONS**

## **SIGNIFICANT ISSUES**

Under the original HB 335, calculations concerning the amount of time required for the CID and other agencies to process an application for a building permit were based on the time from when a completed application was received by the agency until a final decision was made on that application. Sub.HB335 significantly alters that time calculation by "regardless of application completeness" each agency must report on the time frames for all applications received by any agency. This change to the time frame reporting requirements will skew any data reported by the agencies because that data will include applications that could not be properly reviewed due to the incomplete nature of the information provided for the application. Unfortunately, it is not uncommon to receive incomplete applications or applications with incorrect information which adds to the time required to process the application. Many times, incomplete building permit applications are submitted which are never completed by the submitting party.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

There are approximately twenty-one (21) local building departments currently responsible for issuing permits and conducting inspections for at least one or more of the construction trades. All counties and cities are responsible for plan review.

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

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

Sub.HB355 is intended to provide valuable information regarding how long the

licensing/permitting process for residential construction projects in New Mexico can be expected to take. This data will be of use not only to individuals and businesses directly working in the New Mexico construction trades, but also to many others. Having this data to assist in calculating total completion times for residential construction projects would benefit both residential lenders considering making loans to potential homebuyers and commercial lenders financing construction projects and making business loans to contractors and material suppliers. The Economic Development Department could use this data to assist corporations and investors looking to engage in business ventures in New Mexico regarding projected time frames for the availability of residential housing in a particular area. Other government agencies may utilize the data to help target state and federal funding for residential construction projects in areas with identified needs, helping them make the timeliest use of available funds.

While there are some questions yet to be resolved in the wording of the substitute bill, the RLD recognizes the benefits that can be derived from making the permitting time frame information specified in Sub.HB355 easily accessible to the public and stands ready to carry out these responsibilities.

## **AMENDMENTS**