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## FISCAL IMPACT REPORT

SPONSOR Lopez/Sedillo Lopez/Pope/Pinto LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 2/3/2025  
BILL  
SHORT TITLE Rent Control & Certain Entities NUMBER Senate Bill 216  
ANALYST Ortega

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	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 Analysis was Solicited but Not Received From

Department of Finance and Administration (DFA)

New Mexico Mortgage Finance Authority (MFA)

New Mexico Counties

New Mexico Municipal League (NMML)

## SUMMARY

### Synopsis of Senate Bill 216

Senate Bill 216 (SB216) would allow certain local governments to enact rent control measures on privately owned property by repealing Section 47-8A-1 NMSA 1978, which prohibits political subdivisions and home rule municipalities from such measures. This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The bill is unlikely to have a fiscal impact on a state agency, although it could impact local governments. If enacted at the local level, rent control could lead to administrative costs for cities and counties to enforce regulations, oversee compliance, and resolve disputes. Conversely, local governments may see cost savings if rent control helps stabilize housing costs and reduces demand for rental assistance programs. SB216 does not mandate rent control, so fiscal impacts will vary based on local policy decisions.

## **SIGNIFICANT ISSUES**

SB216 restores local decision-making authority, allowing cities and counties to determine whether rent control aligns with their housing policies. Proponents argue rent control could help address affordability concerns and prevent displacement, particularly in high-demand rental markets. Opponents caution that rent control may discourage new housing development and lead to reduced investment in rental properties. If municipalities enact rent control, they may need to establish enforcement mechanisms, including rent boards, complaint resolution processes, and penalties for noncompliance, potentially increasing local government expenditures.

AO/hj/hg