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FISCAL IMPACT REPORT

LAST UPDATED _____
ORIGINAL DATE 03/07/2025

SPONSOR Maestas

BILL _____
NUMBER Senate Bill 312

SHORT TITLE Zoning Decision Appeals

ANALYST Rommel

REVENUE* (dollars in thousands)

Type	FY25	FY26	FY27	FY28	FY29	Recurring or Nonrecurring	Fund Affected
GRT – new housing		See fiscal implications	See fiscal implications	See fiscal implications	See fiscal implications	Recurring	General Fund

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

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
MFA	No fiscal impact	No fiscal impact	No fiscal impact		Recurring	Other state funds

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

Relates to Senate Bill 310

Sources of Information

LFC Files

Agency Analysis Received From
 Mortgage Finance Authority
 Mortgage Finance Authority (MFA)
 Governor’s Office of Housing

SUMMARY

Synopsis of Senate Bill 312

Senate Bill 312 (SB312) proposes to amend New Mexico Statute Chapter 3 - Municipalities Article 19 - Planning and Platting Section 3-19-8 by limiting the ability to appeal a zoning and planning decision to either a person who owns the property directly affected by the decision or a person who owns property next to the affected property.

The bill applies this limitation to various jurisdictions including municipal zoning and planning appeals, extraterritorial zoning commission appeals, and zoning authority appeals.

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

FISCAL IMPLICATIONS

The New Mexico Mortgage Authority reports no fiscal impact. In an analysis of related legislation, Senate Bill 310 (SB310), the Department of Finance and Administration estimates that each new housing unit constructed yields roughly \$18 thousand in gross receipts (GRT) reflected in the revenue table above. However, estimating the increase in new housing construction that would result if SB312 is enacted is exceedingly difficult.

SIGNIFICANT ISSUES

SB312 would likely reduce the number of land use appeal lawsuits. This may reduce delays and costs of development but may also limit public participation.

The Governor's Office of Housing comments:

Zoning appeal lawsuits create two significant issues for housing. First, lawsuits increase the cost of housing development by increasing direct legal costs for a project and second by slowing the length of time it takes to begin construction. The overhead and holding costs on a large housing development project can be considerable. Santa Fe County's Affordable Housing Plan identified that the cost of a multi-year delay in approval, which is common for Santa Fe County approval processes, to be as much as \$80 thousand per unit. In supply constrained housing environments like New Mexico's, all additional costs are passed on to the consumer, severely impacting affordability.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to SB310, which directs that a zoning authority shall eliminate building height restrictions, not restrict duplexes or townhouses in residential zones, and allow development of small-scale commercial uses in residential zones. SB310 states these amendments do not apply to historic districts.

HR/hj/SL2