

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

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

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.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}*

**Date Prepared:** 2/13/25 *Check all that apply:*  
**Bill Number:** HB335 Original  Correction   
Amendment  Substitute

**Sponsor:** Borrego **Agency Name and Code** Municipal League (ML)  
**Short Title:** Licensing Time Frames **Number:** \_\_\_\_\_  
Transparency Act **Person Writing** Jacob Rowberry  
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**SECTION II: FISCAL IMPACT**

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		Indeterminate	Indeterminate	Indeterminate	Recurring	Municipalities

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

House Bill 335 requires quarterly reporting to the regulation and licensing department (RLD) by the construction industries division of RLD and any agency of a county, city, or other local entity that has been delegated authority to issue a permission that would otherwise be issued by the construction industries division. The reporting would include list of each type of permission (e.g., permit, license, right of way, business lease, clearance, location, siting approval) the agency is required or authorized to issue, number of final agency actions taken, time frame metrics (average, median, maximum) of each permission type, average and maximum pending time for each permission type, and the number of applications for each type of permission submitted prior to the end of the reporting period but agency action hasn't been taken. RLD is to publish the quarterly reporting on the department's website.

## **FISCAL IMPLICATIONS**

Local governments would incur additional costs to comply with the provisions of HB335. Additional staff would likely be needed to continuously track and maintain the mandated reporting data, as well as support the quarterly reporting to RLD. Local governments may also incur costs related to standing up appropriate systems to accurately capture and maintain the necessary reporting data.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

## **SIGNIFICANT ISSUES**

House Bill 335 creates an unfunded mandate for local governments as no appropriation is included in the bill and local governments will incur additional costs to fulfill the reporting requirements in HB335. Unfunded mandates place undue financial strain on local governments' budgets, which can negatively impact the delivery of local government services.

HB335 could result in an increase in denials due to pressure to reach a "final agency action" and improve reporting metrics (average time, median time) rather than requesting corrections and revisions to the plans or the building permits. There is also concern that local governments' reporting metrics could be adversely impacted by delays that shouldn't be attributed to the local government but rather processing time for corrections and revisions to plans or permits. Overall, it is unclear how the reporting metrics in HB335 are intended to be used—solely for informational purposes or will there be target metrics to indicate progress or success? If the latter, will there be a rule making process?

The Construction Industries Division (CID) of the Regulation and Licensing Department (RLD) has a current scope of building/general building, electrical, mechanical, and plumbing, however, the "permission" definition contained in HB335 is broader including right of way, business lease, clearance, etc. It is unclear how to interpret HB335's referenced "permission"—CID's current scope or the expanded definition? The bill does not consider land use, zoning, entitlements, or water and wastewater availability (including the transfer of water rights) as "permissions." These elements are critical in development and can often become complicating factors.

Specific to the building/general building permission, there are numerous sub-categories including solar, residential remodel, commercial remodel, new single family residential, multifamily residential, and new commercial, among others. It is unclear if it is appropriate for local governments to broadly categorize these sub-categories as building/general building for reporting purposes as outlined in HB335.

The "agency" definition in HB335 only includes CID and local government entities but omits state agencies that provide permitting, such as the New Mexico Environment Department and New Mexico Department of Transportation, which are important for a comprehensive understanding of processes statewide.

## **PERFORMANCE IMPLICATIONS**

**ADMINISTRATIVE IMPLICATIONS**

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

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

**AMENDMENTS**