

LFC Requester:	Noah Montano
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**AGENCY BILL ANALYSIS
2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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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 27, 2025
Bill No: HB 582

Sponsor: Rep. Serrato
Short Title: Statewide Construction Templates

Agency Name and Code Regulation and Licensing Department - 420
Number: _____
Person Writing Lori Chavez
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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
Total	None	None	None	None	None	None

(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: House Bill 582 (“HB 582”)

HB 582 adds a new section to the Construction Industries Licensing Act (“CILA”) requiring the Construction Industries Division (“CID”) of the New Mexico Regulation and Licensing Department (“RLD”) to develop standards and application templates for permits applicable to all construction trades regulated by CID and all other “authorities having jurisdiction” (“AHJ”). The application shall include necessary steps from permit request to project completion and approval; list of each permit required for the project with an explanation of how to obtain the permit, list of each approval required, required plan approval, zoning approval and inspections and any other steps necessary to obtain a final approval for use or occupancy of structure.

Templates with directions for completing and submitting the application and tracking the status of the submitted application shall be available in an electronic format on the division’s website and the AHJs websites.

Timelines for completing permit review and approval are established by HB 582. Denied or provisional approvals shall be sent to the applicant electronically and by certified mail. If timelines are not met for approving or disapproving a permit, the permit shall automatically be approved.

HB 582 applies to construction projects involving fewer than two thousand five hundred (2,500) dwelling units; accessory dwelling units and land use changes described in Section 3-21-6 NMSA 1978 completed by professional individuals.

Adverse decisions made by the CID or an AHJ shall be referred to a hearing officer designated by the director of CID for immediate review and a decision issued by the hearing officer within ten (10) days after review. Decisions made by the hearing officer are appealable to the district court.

HB 582 authorizes the CID to promulgate rules to implement the Act by December 1, 2025.

HB 582 defines terms used within the new section of the CILA.

HB 582 amends the Zoning Authority of County or Municipality section

FISCAL IMPLICATIONS

The RLD anticipates only minimal costs associated with staff time to compile necessary templates and to conduct a public rule hearing if HB 582 is enacted.

SIGNIFICANT ISSUES

HB 582 proposes that the CID provide statewide procedures and templates for construction projects requiring permit applications. This legislation aims to streamline the permitting process across various jurisdictions, enhancing efficiency and consistency. However, several significant issues arise from this bill that could impact the construction industry, local governments, and communities.

Uniformity vs. Local Control

One of the primary concerns with HB 582 is the potential loss of local control. Many cities and counties have unique zoning laws and building codes tailored to their specific needs, environments, and historical contexts. The bill's requirement for a standardized approach may undermine the ability of local authorities to enforce regulations that reflect their community's character and priorities. For instance, urban areas might prioritize density and mixed-use developments, while rural areas may focus on preserving open spaces. A "one-size-fits-all" template could lead to conflicts with existing local regulations, reducing municipalities' autonomy and potentially resulting in legal disputes.

Consideration of Historic Districts

Historic districts present another significant challenge for the implementation of HB 582. The preservation of historical architecture and heritage is crucial for many communities, and existing regulations are often designed to protect these assets. The bill's templates may not adequately address the specific needs and restrictions associated with historic preservation, leading to potential conflicts between new developments and the preservation of historical sites. Local governments may find themselves in a difficult position, balancing the need for development against the obligation to preserve their heritage. This could result in pushbacks from community members who value the historical significance of their neighborhoods, ultimately affecting public approval for construction projects.

Environmental and Land Use Considerations

HB 582 must also account for various land use and environmental considerations. Different regions have distinct ecological profiles, and the construction industry must adhere to specific environmental regulations to protect ecosystems. The proposed templates may lack the flexibility needed to incorporate local environmental assessments or address unique land use challenges.

Stakeholder Engagement and Feedback

The development of the templates proposed in HB 582 should involve comprehensive stakeholder engagement. Without input from various parties, including local governments, construction professionals, and community members, these types of templates may not adequately reflect the diverse needs and concerns of all stakeholders. Effective engagement is essential to ensure that the templates are practical, relevant, and beneficial. Failure to involve key stakeholders in the development process could lead to widespread dissatisfaction and resistance to the new regulations, undermining the bill's intended goals.

Life Safety Issues

HB 582 outlines that while automatic approval may streamline certain processes, it poses significant risks, particularly if an application exceeds the approval deadline. Automatically approving drawings without thorough evaluation can lead to substantial delays and safety hazards. It is imperative that building permits are not automatically approved due to the critical life safety considerations involved in construction. Automatic approvals can lead to significant risks, as they bypass essential evaluations that ensure compliance with safety codes and regulations. Each project must be carefully reviewed to assess structural integrity, fire safety, and

adherence to zoning laws, among other factors. Failure to conduct a thorough review could result in dangerously flawed construction that jeopardizes the safety of occupants and the surrounding community. Ensuring that every permit undergoes scrutiny is not just a regulatory formality; it is a fundamental responsibility to uphold public safety and welfare.

Cost

Requiring permit applicants to be notified of denied and provisionally approved application decisions by certified mail results in a significant increase in cost to the permitting process.

Conclusion

HB 582 presents both opportunities and challenges for the construction industry and local governments. While the aim of streamlining the permitting process is commendable, significant issues related to local control, historic preservation, environmental considerations, and the need for stakeholder engagement must be addressed. To ensure that the bill serves the best interests of communities and the construction industry, a careful examination of these issues is essential. Policymakers should consider amendments that protect local autonomy while promoting efficiency and safety in construction practices. Balancing state-level standardization with the unique needs of communities will be crucial for the successful implementation of House Bill 582.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

As noted above, requiring permit applicants to be notified of denied and provisionally approved application decisions by certified mail results in a significant increase in cost to the permitting process. If this notification was provided via electronic mail instead, there could be significant cost savings to the CID (and possibly the AHJ's as well).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

HB 582 has an effective date of July 1, 2025, with a deadline of December 1, 2025, to adopt necessary administrative rules. This may be an unrealistic timeframe for finalizing templates and conducting rule hearings when considering the breadth and depth of participation necessary to ensure the templates accurately reflect the AHJs unique and diverse needs. One year is a more realistic timeframe. The RLD requests an amendment to specify July 1, 2026, as the deadline for adoption of necessary administrative rules and utilization of the required templates.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS

Please see "Technical Issues" and "Administrative Implications" sections, above.