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FISCAL IMPACT REPORT

SPONSOR <u>Dow/Martinez, A.</u>	LAST UPDATED _____ ORIGINAL DATE <u>02/04/2025</u>
SHORT TITLE <u>Vacant Rural Building Act</u>	BILL NUMBER <u>House Bill 210</u>
ANALYST <u>Chilton</u>	

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Regulation and Licensing Department	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	General fund

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

Sources of Information

LFC Files

Agency Analysis Received From
 Economic Development Department (EDD)

Agency Analysis was Solicited but Not Received From
 Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of House Bill 210

House Bill 210 would enact the Vacant Rural Buildings Act, applicable to municipalities of fewer than 50 thousand inhabitants. The bill defines “vacant commercial building” as an edifice used primarily for commercial purposes and unoccupied for three or more months. The bill prescribes an expedited approval process, if necessary, evading strict compliance with building codes.

The Construction Industries Commission, the Construction Industries Division within the Regulation and Licensing Department (RLD), or the governing body of a local municipality would be tasked with the following:

- Developing a procedure allowing for variances from strict building codes while maintaining safety considerations;
- Requiring only those conditions that affect life and safety to be remedied prior to occupancy by the owner or prospective occupant; and
- Providing certification that the property qualifies for provisions of this act.

Rules developed must comply with historic buildings requirements and account for the costs of bringing vacant buildings up to code.

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. The bill mandates that updated rules be adopted by January 1, 2026.

FISCAL IMPLICATIONS

There is no appropriation in House Bill 210 and no fiscal impact is apparent. Once updated rules are in place, commercial enterprises occupying buildings exempted from strict compliance with building codes may generate additional tax income.

SIGNIFICANT ISSUES

The Economic Development Department (EDD) points out that the presence of vacant commercial buildings is “one of the biggest impediments to downtown revitalization in all of New Mexico’s rural communities.” EDD is working with local communities to upgrade the infrastructure and appearance of rural Main Streets and Art and Cultural Districts, but strict building code enforcement may stymie its attempts to “put these vacant buildings back to productive use.”

LAC/hj/SR/rl