

NMHBA FINAL LEGISLATIVE UPDATE

2025 Was an Interesting Session for NMHBA Members

This year was unusual in terms of the number of Bills that were introduced to help our industry. Even though most of those Bills did not pass, it was just as notable that our lobbyist was able to amend one bill that was problematic and help knock several others off track so they didn't pass either.

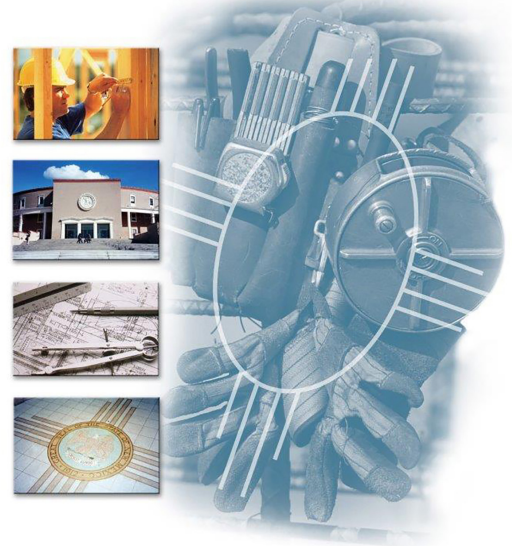
The biggest “win” for all businesses was the failure (again) of the **Paid Family Medical Leave Act**. The success of the **Structural Wood Grading Act** will reveal itself in future years as local lumber mills ramp up production of locally-sourced products to ease the supply burden in the state, and while the **Building Housing Communities** Bill looks like it wouldn't do much, it would have provided the opportunity for the Governor's Housing Advisors to create best practices in zoning that will tie future housing funds to those communities that adopt those housing-friendly practices.

Some of the ideas that were part of the Maestas-Borrego “5-pack”: eliminating building height restrictions and allow development of duplexes and townhouses in single-family zoning; redevelopment code eminent domain; limiting who can file zoning decision appeals; no parking mandates; and requiring the state and local permitting departments to publish a list of the times frames in which permits have been finally acted upon are good ideas that NMHBA members can continue to lobby for at the local level to increase the supply of housing across all pricing levels. The eminent domain issue will have to come back in the next 60-day session.

We didn't really think we could get our GRT Bill for the **Housing Construction Tax Credit** to credit labor costs on residential units passed the first time it was introduced, but with surprising support from 99.9% of the legislators who heard testimony on the Bill, we got our hopes up. Ultimately the Bill died simply because the money to make municipalities whole after the reduced GRT was more than the legislature had left to spend at the end. With the good reception it received this year and the fact it has budgetary impact, we may have an opportunity to introduce it again in 2026 and see if there is still enough oil and gas revenue to cover it. It has commonly taken new ideas like this several years to pass the legislature, and persistence generally pays off.

The changes to the **Unfair Practices Act** were a surprise when the bill was introduced. It was aimed at mobile-home park owner abuses, but all real property was included in the changes to the Act. Members were justifiably concerned that all their hard work in 2023 to pass SB50 Right to Repair Act was about to be undone. Despite the Unfair Practices Act's quick movement to the House Calendar, it stopped there. NMHBA's paid lobbyist, Randy Traynor, worked with attorneys to prepare an amendment to divert single-family issues to the Right to Repair Act before any Unfair Practices Act lawsuit could be filed. We will be ready if a revival Bill shows up in the 2027 Session.

There were two big Bills the Governor signed into law that will impose more regulations upon both sides of the commercial and housing industry. The first is the re-imposition at the state level of the **Pollutant Discharge Elimination System Act** to regulate every drop of water that falls in the state. This law is pretty much the same as the federal version – which means it contains some flaws that we might be able to take advantage of when the rules are drafted over the next



year or two. The other is the **Wildfire Prepared Act** that would allow the insurance industry to dictate building codes, fencing, and landscaping standards in wildfire areas. The key is the mapping of the areas that get designated as “wildfire” zones, and the funding to start that won’t be released until July. Then the mapping must be drafted, revised, and finally adopted sometime in 2026 or maybe even 2027. The impact on our industry won’t be known for sure until the mapping and rules to implement these regulations are completed.

Here's the list of the Bills that passed, and a couple of Bills that we opposed that died.

HB6 IRB Project Minimum Wage (Szczepanski /Stewart / Roybal Caballero /JL Sanchez / Martínez). This Bill will require prevailing wages to be paid only on municipal or county projects that are funded with Industrial Revenue Bonds. **SIGNED INTO LAW.**

SB21/SB22 Pollutant Discharge Elimination System Act (NPDES) / Water Quality & Pollution (Wirth/Ortez). This Bill will reinstate the Clean Water Act (CWA) surface water regulations that were rolled back by the Supreme Court’s 2023 *Sackett v. Environmental Protection Agency* ruling that defines “Waters of the U.S.” (WOTUS) as “wetlands that are relatively permanent, standing or continuously flowing bodies of water with direct connection to a navigable WOTUS.” SB21 would regulate every arroyo miles away from any continuously-flowing stream or river. **SIGNED INTO LAW.**

SB33 Wildfire Prepared Act (Stefanics). This Bill is in response to the insurance industries’ push to have commercial and residential properties take proactive steps to mitigate the potential for firestorms such as we saw in Ruidoso and Los Angeles. All homes in designated “high risk” zones will have trouble obtaining fire insurance necessary for their mortgages. It would create the power for the Forestry Division of Energy, Minerals and Natural Resources Department to establish STANDARDS (essentially building codes) for building construction and certification of existing homes who comply with future mitigation measures. 5-foot non-combustible area on all sides of homes is specifically mandated in the amended Bill. **SIGNED INTO LAW.**

HB175 Forest & Watershed Buffer Projects (Vincent /Dow /Ortez /Terrazas) This Bill will make projects to create or maintain buffers in and around wildland-urban interfaces eligible for funding from the Forest Land Protection Revolving Fund. The Revolving Fund apparently won’t work for individual homeowners, but it could be used by municipalities to create an open space buffer zone entirely around the village/town. **SIGNED INTO LAW.**

HB218 Tax Changes (Lente). Buried in 246 pages of Tax & Revenue staff recommendations for “minor” fixes is a change to the base year for Tax Increment Development Districts (TIDDs). Our lobbyist was successful in getting the Bill amended to allow a waiver, so this won’t hurt the housing industry. **SIGNED INTO LAW.**

HB553 Structural Wood Grading Act (Gonzales). This Bill will put into law what the Construction Industries Division has been doing by rule to grade NM-logged wood for structural members and add training and licensing authority to the Division. These native woods are being recycled from forest thinning and post-fire logs to provide for milled lumber available locally. **SIGNED INTO LAW.**

HB571 Building Housing Communities (Dow / Romero / Henry). This Bill proposes to create a designation to a municipality that has adopted or established one or more strategies to increase housing affordability and accessibility. **PASSED and was subject to Governor’s pocket veto.**

HB11 Paid Family & Medical Leave Act (Chandler). All of the amendments to try to make the Bill acceptable to the business community meant the Bill was financially unsustainable. **PASSED the House but DIED in its final Senate**

Continued on page 7

2025 NMHBA Legislative Day

30 members of NMHBA plus NAHB E.O. Jim Tobin spent the day advocating for housing policy and industry priorities. Meetings were held with Governor Michelle Lujan Grisham, Lt. Governor Howie Morales, Representatives Dixon, Duncan, Dow, Armstrong, and Martinez, plus Senators Maestas and Padilla.



Thank you to our Sponsors:



Committee.

SB77 *Purchase of Single Family Homes* (Pope). The entire Bill reads: “A hedge fund, private equity firm, corporation or other business is prohibited from purchasing a single family residential property.” **DIED.**

BILLS OF INTEREST THAT DIDN'T MAKE IT

HB13 *Distribution System and Electrification Plans*

HB43 *Housing Income to Rent Screening Calculations*

HB51 *Energy Storage System Income Tax Credit*

HB61 *Unfair Practices Act Changes*

HB68 *One-to-One Apprentice to Journeyman Ratios*

HB122 *Condominium Owner Occupancy Requirements*

HB135 / SB223 *Housing Study Requirement for LEDA Funding*

SB145 *Housing Trust Fund & Affordable Housing*

HB168 *Construction Cost Studies*

SB205 / HB448 *State Office of Housing Planning & Production*

HB211 *Solar Market Tax Credit Changes*

SB216 *Rent Control & Certain Entities*

HB220 *Ignition-Resistant Construction*

HB232 *Prohibit Certain Homeowner Association Fees*

SB293 *Housing Study for Some Development Projects*

HB302 *Development Fees Act Changes*

SB310 *Building & Zoning Changes*

SB311 *Metro Redevelopment Code Eminent Domain*

SB312 *Zoning Decision Appeals*

SB313 *No Parking Mandates*

HB325 *Housing Construction Tax Credit*

HB335 *Licensing Time Frames Transparency Act*

HB342 *Property Tax Changes*

HB377 *Residential Property Valuation Changes*

HB425 *Rulemaking Agency Response to Public Comment*

SB451 *Minimum Building Code Requirements*

HB472 *Abandoned Building Revitalization Corporate Tax Credit*

HB491 *Construction & Inspection Licensing*


HB554 *Residential Home Building Authorization*

HB560 *Workforce Readiness Programs*

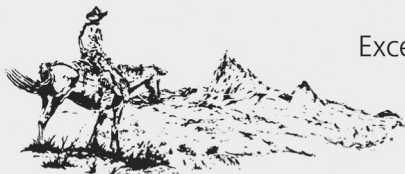
HB582 *Statewide Construction Templates*

Thanks to our **Legislative Day Sponsors:**

WESTERN

BUILDING  SUPPLY

Family Owned & Operated



Exceptional service & quality products since 1971

ANDERSEN Wood/FIBREX Windows & Doors

PLYGEM Vinyl Windows and Doors

WEATHERSHIELD Wood/Vinyl Windows & Doors

HEAT-N-GLO Gas Fireplaces

STEEL Insulated Garage Doors

SOLATUBE Skylights

4201 Paseo del Norte NE
Albuquerque, NM 87113
505.823.2500
westernbuildingsupply.com