

March 2025

LEGISLATIVE SESSION RECAP: THE FIRST SESSION OF THE 57TH LEGISLATURE

OPENING

The first session of the 57th Legislature commenced on January 21st at noon, lasting for 60 days, with all topics of legislation being germane to the session. Incumbent legislators were able to prefile legislation from January 2nd through the 21st. A total of 32 freshmen legislators took their oath of office alongside the returning 80 incumbents. Of the 70-member House of Representatives, 44 are Democrats and 26 are Republicans; of the 42-member Senate, 26 are Democrats and 16 are Republicans.

STATE OF THE STATE

In a joint session of the House of Representatives and the Senate, Governor Michelle Lujan Grisham delivered her seventh State of the State address, marking the third such address in her second term as governor. In her address, she outlined the state's economic growth, investments in education, and commitments to public safety and child welfare. She emphasized the state's financial health, bolstered by record oil and gas revenues, which have allowed for increased funding in key areas such as universal childcare, extended school years, and tribal education. She also called for enhanced protections for children in the foster care system, further reforms at the Children, Youth and Families Department (CYFD), and increased funding for behavioral health services. The governor celebrated economic achievements, including historic job creation and the establishment of major industries like quantum computing in the state. Additionally, she underscored her administration's ongoing efforts to combat climate change, such as promoting clean energy initiatives and proposing a state-sponsored fire insurance program to protect homeowners from rising costs due to natural disasters.

A significant portion of her address focused on housing, real estate, and economic development. She acknowledged the need for more housing to accommodate the state's growing workforce, proposing regulatory and zoning reforms to streamline home construction. She announced \$50 million in subsidies to make homeownership more affordable, along with infrastructure investments in roads and water systems to support new developments. Additionally, she called for the creation of a state Office of Housing to oversee and expedite these efforts. To combat homelessness, she proposed a \$50 million investment in 24/7 services, including temporary housing and job training programs. On the broader economic front, the governor highlighted that New Mexico has added 134,000 jobs in the last four and a half years, with wages rising faster than in any other state. She emphasized the state's leadership in

advanced manufacturing, renewable energy, and emerging technology sectors, positioning New Mexico as a hub for economic innovation and sustainable growth.

LEGISLATION

Overall, of the 1,328 pieces of legislation that were introduced, 1,182 were bills, 102 were memorials, and 44 were resolutions. Of these, 194 bills passed both the House and Senate and were sent to the Governor for action, while 52 memorials, resolutions, and joint resolutions were approved by the Legislature.

Throughout the session, the NMAR Legislative Committee and staff remained fully engaged, meeting weekly to track and advocate for policies that directly impact real estate professionals and property owners. This year, NM REALTORS® tracked a record-breaking 94 pieces of legislation, including 90 bills related to property rights, housing affordability, and real estate policies; 2 memorials addressing industry concerns; and 3 joint resolutions with potential long-term effects on real estate.

PASSED

Twelve pieces of legislation that we **SUPPORTED** were passed by the Legislature; one bill that we **OPPOSED** passed the Legislature; and four pieces of legislation that we **MONITORED** passed the Legislature.

- HB 47 VETERAN PROPERTY TAX EXEMPTIONS
- SB 169 STRATEGIC ECONOMIC DEVELOPMENT SITE READINESS*
- SB 72 NONPROFIT CONDO ASSOC. REMOTE BUSINESS
- SB 33 WILDFIRE PREPAREDNESS ACT*
- HB 571 BUILDING HOUSING COMMUNITIES
- HM 52 SHORT-TERM RENTAL WORK GROUP
- SB 320 MOBILE HOME REPLACEMENT INITIATIVES*
- SB 144 AFFORDABLE HOUSING ACT FUNDING*
- SB 145 HOUSING TRUST FUND & AFFORDABLE HOUSING*
- SB 350 HOUSING SUPPORT NEEDS & STABILIZATION*
- SB 422 AFFORDABLE HOUSING ORGANIZATION SUPPORT*
- SB 232 ABQ AFFORDABLE HOUSING*
- **SB 21 POLLUTANT DISCHARGE ELIMINATION SYSTEM ACT**
- SB 31 ZERO-INTEREST NATURAL DISASTER LOANS*
- SB 267 HOUSING APPLICATION FEES
- SB 47 SANTA CRUZ DE LA CANADA LAND GRANT
- HB 453 HOUSING CREDITWORTHINESS ASSISTANCE PROGRAM*

NOTE: An asterisk () indicates that the bill was included in the state budget.*

DIED

The remaining 77 pieces of legislation that were on our tracker died at the adjournment of the session. Some notable pieces include:

- SB 205/HB 448 STATE OFFICE OF HOUSING PLANNING & PROTECTION
- HB 309/HB 332/SB 359 REMOVING UNLAWFUL OCCUPANTS FROM PROPERTY
- HB 325 HOUSING CONSTRUCTION TAX CREDIT

- **HB 342 PROPERTY TAX CHANGES**
- **HB 98 AUTOMATIC EXPUNGEMENT OF EVICTION RECORDS**
- **HB 100 ATTORNEYS & CONTRACTORS AS PROPERTY MANAGERS**
- **SB 77 PURCHASE OF SINGLE-FAMILY HOMES**
- **SB 216 RENT CONTROL & CERTAIN ENTITIES**
- **HB 11 PAID FAMILY & MEDICAL LEAVE ACT**
- **HB 215 NO USE OF AI FOR RENT MANIPULATION**
- **HB 502 ACEQUIA & WATER RIGHTS AS MATERIAL FACTS**
- **SB 446 RESEARCH ZONING MATTERS SPEAKERS**

BUDGET (HOUSE BILL 2)

The General Appropriations Act of 2025, House Bill 2, also known as the New Mexico state budget for Fiscal Year 2026, is \$10.8 billion, reflecting a nearly 6% increase in spending over the current year and maintaining reserves at \$3.2 billion.

The budget allocates significant resources to education, healthcare, infrastructure, public safety, and social services. Key appropriations include investments in public schools, higher education, and teacher salary increases. The healthcare sector sees funding for Medicaid expansion, behavioral health services, and opioid crisis response. Infrastructure investments include broadband expansion, transportation, and public works projects. Additionally, substantial funding is directed toward housing and homelessness initiatives, economic development, and judicial services.

Also included is significant funding to housing and homelessness initiatives, emphasizing direct housing support, capacity building, and strategic planning. Key appropriations include \$5 million for encampment response, \$110 million for affordable and transitional housing, and \$2 million for housing assistance personnel. Additionally, \$36.8 million is designated for housing capacity building, \$5 million for mental health-related housing vouchers, and \$2.3 million for opioid crisis housing aid. Further investments include \$2 million for senior housing projects and \$2.5 million for landlord support programs, demonstrating a comprehensive approach to addressing housing insecurity across the state.

TAX PACKAGE (HOUSE BILL 14)

After disagreement between the chambers on House Bill 14, the original tax package that was sent over from the House to the Senate, a conference committee was assembled to come up with a compromise. The result: With hours to go before adjournment, the New Mexico Legislature passed a \$113 million tax package, which will be funded from state reserves, excluding a proposed oil tax. The package expands the Earned Income Tax Credit to benefit up to 300,000 residents, eliminates the gross receipts tax on medical services, increases the liquor tax by 20% to fund tribal alcohol programs, and provides tax credits for foster parents and guardians. Provisions such as an oil tax, natural gas tax reductions, and credits for emergency responders and publishers were removed.

ADJOURNMENT

The 2025 legislative session adjourned sine die on Saturday, March 22nd at noon.

UPCOMING

The Governor has until April 11, 2025, to sign, veto, or line-item veto bills that passed both chambers. Any legislation not acted upon by that date is pocket vetoed.

Shortly after the Legislature adjourned sine die, the Governor and Lieutenant Governor held a press conference to recap the session. The Governor voiced her frustration that more public safety legislation had not reached her desk and expressed her intent to call legislators back for a special session to address the issue.

In separate press conferences, leaders from both parties acknowledged that further work remains. Earlier in the session, lawmakers also discussed the possibility of reconvening later in the year to address federal budget cuts and their impact on the state. However, no Special or Extraordinary Session has been called at this time.

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Please direct any questions/comments to NMAR's Government Affairs Director, David Saavedra, at DavidS@NMRealtor.com or (505) 467-6303.



ABOUT NMAR: As New Mexico's premier professional trade association, the New Mexico Association of REALTORS® proudly represents over 7,500 residential and commercial brokers throughout the state. With members active in every legislative district and connected to 13 member boards and associations, we champion the interests of property owners, our REALTOR® members, and the broader real estate market. Together, as NMAR, we are the voice for real estate in New Mexico.

NEW MEXICO ASSOCIATION OF REALTORS®
(505) 982-2442 • 549 South Guadalupe Street • Santa Fe, NM 87501
www.NMRealtor.com