

## AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
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*(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:** January 27, 2026 **Check all that apply:**  
**Bill Number:** HB 165 **Original**  **Correction**   
**Amendment**  **Substitute**

<b>Sponsor:</b> <u>Linda Serrato and Meredith Dixon</u> <b>Short Title:</b> <u>Clarifying Special Assessments under the Improvement Special Assessment Act</u>	<b>Agency Name and Code Number:</b> <u>State Ethics Commission 410</u> <b>Person Writing</b> <u>Zach Goodrich</u> <b>Phone:</b> <u>505-554-7196</u> <b>Email</b> <u>Zach.Goodrich@sec.nm.gov</u>
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### **SECTION II: FISCAL IMPACT**

#### **APPROPRIATION (dollars in thousands)**

<b>Appropriation</b>		<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>		

#### **REVENUE (dollars in thousands)**

<b>Estimated Revenue</b>			<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>FY26</b>	<b>FY27</b>	<b>FY28</b>		

(Parenthesis ( ) indicate revenue decreases)

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

	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(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:

HB 165 clarifies who must pay special assessments under the Improvement Special Assessment Act. First, under section 4-55D-2 the definition of “eligible property” is expanded to include property leased by a county or municipality to a person connected with a project under the authority of the Industrial Revenue Bond Act or the County Industrial Revenue Bond Act. Second, the bill clarifies that the lessee under an industrial revenue bond lease shall pay any special assessment, not any local government entity which may own the property.

Finally, the bill further specifies that under no circumstances shall a local government, including counties and municipalities, be liable to pay special assessments; the restriction on local governments extends to serving as a third-party obligor and pledging/lending its credit for the same.

### **FISCAL IMPLICATIONS**

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**

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

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

The eligible properties under the Improvement Special Assessment Act will exclude those held under an industrial revenue bond lease. There will also be ambiguity concerning the responsibilities of government entities, specifically municipalities, in paying special assessments for properties they own but which may be leased to a private entity under the Improvement Special Assessment Act.

#### **AMENDMENTS**