



RE: SB 138 Repeal Rent Control Prohibition – NMBC Opposes

Dear Senators,

On behalf of hundreds of businesses and thousands of New Mexicans that the New Mexico Business Coalition represents, I write in strong opposition to **Senate Bill 138**. It would repeal New Mexico's long-standing prohibition on rent control and allow local governments to impose rent control on privately owned real property.

While housing affordability is a serious issue, rent control has repeatedly proven to be the **wrong solution**. By repealing Section 47-8A-1 NMSA 1978, SB 138 opens the door to a fragmented system of local regulations that will discourage investment, reduce housing supply, and ultimately worsen affordability across the state.

Rent control policies consistently produce unintended consequences. When government restricts rent increases without addressing rising costs for property taxes, insurance, utilities, and maintenance, property owners are forced to make difficult decisions. Many reduce reinvestment in their properties, delay repairs, or exit the rental market entirely, shrinking the supply of available housing and driving prices higher for everyone else.

This bill also disproportionately harms **small and family-owned rental property owners**, who make up a significant portion of New Mexico's housing market. Unlike large institutional investors, these owners lack the resources to absorb regulatory risk, legal exposure, and compliance costs. The result will be fewer locally owned rental properties and greater consolidation by out-of-state corporate landlords.

Equally concerning, SB 138 creates regulatory uncertainty by allowing each city or county to adopt its own rent control framework. A patchwork of local rules will make housing development more risky and less attractive, discouraging new construction at a time when New Mexico desperately needs more housing—not less.

Housing affordability will not be solved by policies that penalize private investment and restrict supply. Meaningful solutions require increasing housing availability, streamlining permitting, reducing regulatory barriers, and encouraging private-sector participation in meeting housing demand.

For these reasons, I respectfully urge you to **vote NO on Senate Bill 138** and to instead pursue policies that expand housing supply, protect small property owners, and promote long-term affordability for New Mexico residents.

Thank you for your consideration.

Carla J. Sonntag
President & CEO