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AGENCY BILL ANALYSIS - 2025 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: 2/12/25 *Check all that apply:*
Bill Number: HB358 Original Correction
 Amendment Substitute

Sponsor: Rep. Randall T. Pettigrew **Agency Name and Code** General Services Department - 350
Short Title: Interim Administrative Rules Oversight Committee **Number:** _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	\$2,000.0	Nonrecurring	General fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	Unknown	Unknown	Unknown		

(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 358 would create an interim committee known as the “administrative rule oversight committee.” The committee comprised of twelve members would consist of three (3) members appointed by the majority leader in the house; three (3) members appointed by the minority floor leader; three (3) members appointed by the senate majority leader; and three (3) members appointed by the senate minority leader. The chair would alternate between the house and senate each year and provided by the political parties “having the most members in both houses each year.” And further provided that “at no time shall the political parties having the most members in both houses not be represented as either a chair or vice chair.” The committee is to meet at least once per month in the interim.

The interim administrative rule oversight committee shall, among other things:

- (1) review rules proposed by an executive agency, committee staff analysis of the rules and fiscal impacts associated with the rules two weeks prior to the public rule hearing for the rules, except when the legislature is in session;
- (2) make recommendations on the rules to the proposing executive agency;
- (3) recommend changes to the authorizing statutes of a rule to clarify legislative intent; and
- (4) direct the work of committee staff.

The Legislative Council Service (LCS) shall hire no more than four staff members to staff this committee.

The Interim Administrative Rules Committee (“Committee”) shall review rules for: relation as to scope of authorizing statute; necessity of rule; fiscal impact of proposed rule; legal impact of the proposed rule on existing state or federal laws; and shall review the proposing agency’s compliance with notice rules under the State Rules Act.

The effective date of this legislation is July 1, 2025.

FISCAL IMPLICATIONS

It is unknown what the agency’s fiscal impact would be. Two million dollars (\$2,000,000) is appropriated from the general fund to the LCS in fiscal year 2026.

SIGNIFICANT ISSUES

HB358 would create a new interim review committee and process. The bill impacts the amount of time needed to process proposed executive agency rule changes and perhaps additional time added after the Committee review for incorporation and changes.

The bill proposes technical changes (and incorporation of statutes and processes) to the state agency rule making process including notice requirements which are:

- A summary of the full text of the proposed rule;
- A short explanation of the purpose of the proposed rule;
- An estimate of the cost of implementing the proposed rule; provided that the agency shall

include a fiscal impact statement pursuant to Section 14-4-5.9 NMSA 1978 if the cost of implementing the proposed rule is estimated to be greater than one million dollars (\$1,000,000);

- A citation to the specific legal authority authorizing the proposed rule and the adoption of the rule;
- Information on how a copy of the full text of the proposed rule may be obtained;
- Information on how a person may comment on the proposed rule, where comments will be received and when comments are due;
- Information on where and when a public rule hearing will be held and how a person may participate in the hearing; and
- A citation to technical information, if any, that served as a basis for the proposed rule, and information on how the full text of the technical information may be obtained.

PERFORMANCE IMPLICATIONS

Unknown

ADMINISTRATIVE IMPLICATIONS

The bill, if enacted, adds time (at least 30 days or more) and extrinsic review of proposed agency rules.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Unknown as of this writing.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

This rule proposes significant intrusion into the power of executive agencies to faithfully execute the law; and thus, that any suggestions and amendments proposed by the interim committee shall be recommended to the agency and then also served on the department of justice and the Governor.

The rule does not provide what would occur thereafter, e.g., in the instance of a dispute or disagreement between the committee and the agency, etc. Additionally, the interim committee statute as written intrudes on the prerogatives of the Executive in executing rules – consistent with the New Mexico Constitution and specifically is contrary the balance to be struck in New Mexico Constitution, Articles III and V. It is the Executive’s prerogative to faithfully execute laws. In some real ways, this bill proposes a mechanism for perpetual “lawmaking” and stymies execution of the law by the Executive.

ALTERNATIVES

Status quo combined with updated agency rules practice.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS