

LFC Requester:

Leger, Jeannae

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](https://www.nmlegis.gov/AgencyAnalysis) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(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:** Feb 12 *Check all that apply:*  
**Bill Number:** HB 358 Original  Correction   
 Amendment  Substitute

**Sponsor:** R. Pettigrew **Agency Name and Code** State Personnel Office 378  
**Short Title:** Admin Rule Oversight of Exec Agency Proposed Rules **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	\$2M	Nonrecurring	General

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	None	None		

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	None	None	Unknown			

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

#### **Synopsis:**

HB358 establishes the interim Administrative Rule Oversight Committee (AROC) to review executive agency rules and make recommendations to the proposing agency, and changes to the authorizing statutes.

AROC consists of 12 members, each serving 2-year terms; 6 from each house, 3 appointed by the majority floor leader and 3 by the minority floor leader. Provides for removal of members and filling of vacancies. Requires committee to meet at least once monthly during the interim except for during legislative sessions.

#### **AORC's duties:**

- Review executive agency rules, committee staff analyses of those rules and fiscal impacts associated with the rules two weeks prior to the rule's public hearing.
- Make recommendations on the rules to the proposing agency.
- Recommend changes to authorizing statutes of a rule to clarify legislative intent.
- Direct committee staff.
- After review, committee staff will submit the approved recommendations in writing to the proposing agency during the public comment period. Those recommendations will also be submitted to the DOJ and the Governor.

AORC may endorse legislation to amend or repeal a statute authorizing an agency to promulgate rules.

HB358 sets procedures for conducting rule reviews, including legal implications on existing state and federal laws and the proposing agency's compliance with State Rules Act notice requirements. Limits staff to no more than four.

Amends Sec. 14-4-5.2 (Notice of Proposed Rulemaking) to mandate preparation of an estimate of the cost of implementing the proposed rule. If the cost is estimated to exceed \$1 million, requires a fiscal impact statement. AROC may request a fiscal impact statement even if the estimated cost is under \$1 million.

Appropriates \$2 million (GF, reverting) to Council Service for expenditure in FY2026 to staff AROC and other incidental costs to establishing the committee.

Effective date of HB358 is July 1, 2025.

### **FISCAL IMPLICATIONS**

With the requirement to publish the Notice of Rulemaking in the NM Register; (NMSA 1978, § 14-4-5.2), making the Notice longer (i.e. Fiscal Impact Statement) which will increase the cost of publishing the notice for agencies.

### **SIGNIFICANT ISSUES**

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

HB358 requires constant monitoring by committee staff and review of the proposed rule changes during the monthly committee meetings HB358 establishes. As there are numerous executive agencies, boards and commissions, the rulemaking process may overwhelm the committee staff depending on timing constraints of the Notice of Proposed Rulemaking.

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

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

Status quo for the executive agency rulemaking process.

## **AMENDMENTS**